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THE BASIS OF LIGHT INDUSTRY IN CHINA

III. Light Industry in the First Five-Year Plan

By Professor E. Stuart Kirby

Preceding articles in this series outlined the results of the rehabilitation of the light industries in China after the Communist seizure of power. The subject is now of foreground importance. There is a real and avowed crisis, in the process of defining the Second Five-Year Plan, which is shortly to begin, over the question of the right "proportionality" to observe between heavy industry and light industry. (See FAR EASTERN ECONOMIC REVIEW, of March 28 and April 11, Nos. 13 and 15).

COMPLETION OF THE RECOVERY PHASE IN 1952

1952 was the closing year of the initial phase of rehabilitation. This was only affirmed *de jure* later, with the formal inception of the First Five-Year Plan in 1953 (announced only after it was supposed to have started): but it was claimed *de facto* during 1952 itself. For that year, the following results were claimed:

TABLE I

Products	Peak year	1952 as % of peak year	1952 as % of 1949
Cotton yarn	1933	147.8	200.7
Cotton cloth	1936	198.3	295.8
Flour	1936	123.6	233.8
Sugar	1936	107.0	226.5
Cigarettes	1947	112.1	165.6
Machine-made paper	1943	225.3	343.8
Automobile tyres	1943	556.3	1,603.3

(Report on Statistical Work, No. 22, 1956. Report on National Economic Development, State Statistical Bureau, Peking 1954).

There are some special contributory factors to be borne in mind in considering the above pro-

gress. Some of these were partly extrinsic or fortuitous.⁽¹⁾ For 3 years in succession there were good harvests (1950, 51 and 52); output of such staples as cotton, hemp or jute, wheat and sugar were officially declared to have reached or passed pre-1949 peaks. China was stated to be self-sufficient in textiles, for example, following on a three-fold increase in raw cotton production in 1952 over the low level of 1949, to 40% over the pre-1949 record year. The favourable harvests caused an immediate increase in effective demand—long repressed, with a "backlog" of some 20 years or more of supply difficulties. The supply of money in the hands of the people increased very greatly, and one-third of the workers reportedly had savings in banks.

Policy helped in the direction of expanding production of necessities. Luxuries of semi-luxuries were not available, or were taboo to consumers generally. Within the large residual field of necessities and basic products, while price stabilisation and internal peace (the cessation of actual civil war etc, for the first time in China for about 40 years) brought a rapid and substantial revival, policy helped in the restoration of production of items of mass popular demand by fixing favourable price-ratios among agricultural products, expanding the area cultivated, and improving the yield.

The increase in labour-productivity is also a prominent factor. Some of this was obtained by inducements such as the differentials just referred to; some of it was due to enthusiasm among the workers, now to consider themselves the ruling

class; and some must be attributed to coercion, for which the Communist State disposes of so many, so direct, and so powerful means. It is not possible to assess the relative importance of these causes specifically or mathematically; but it seems obvious *a priori* that they were in the reverse of the order in which they are listed in the last sentence, with the last-named (coercion and compulsion) increasingly the largest factor, as State control grew more complete.

In textiles, for example, "the efficiency of labour in production" (not further defined) was stated to have been raised 30% in 1952, to "two or three times" what it was in 1949.⁽²⁾ But 1949 was a nadir of dislocation and depression.

Communist statements stress another factor—the fuller and more rational use of existing capacity. This also must have yielded strikingly increasing returns at first—on a small base—since 1949 was an extremely low level of chaos, disruption and demoralization (which, at that time, the Communists themselves were very much fostering, far from countering). On so small a basis, rationalization could not be a very large contributor to increased physical production. These assertions must be read in terms of completion of State Control over the whole economy, which was very largely achieved in this period.

TARGETS FOR THE FIRST FIVE-YEAR PLAN

The Five-Year Plan (1953-57) was mentioned by Chou En-lai in November 1952 clearly in terms of embarking on the industrialization of the country, and the socialist transformation of the economy, closely on the Soviet model. Heavy industry was thus to be predominant, light industry secondary. Li Fu-chun, head of the State Planning Bureau, laid down at the 2nd Session of the National People's Congress the proportions of industrial investment: 88.8% to heavy industry, 11.2% to light industry, or almost 8 : 1. He gave the total proposed industrial investment in the Five-Year Plan as 24,850 million JMP: from the above ratio, we can calculate that only about 300 million JMP, or an average of 60 million a year, was to be invested in light industry.

The total output of consumer goods was to be increased by 79.7% in the 5 years, or by 12.4% a year. Specific targets were as follows, in the light industries category.

TABLE II

First Five Year Plan: Targets—Factory products

	Unit	1952 output	1957 target Quantity	% increase over 1952
Cotton yarn	000 bales	3,618	5,000	38%
Cotton cloth	000 bales	111,634	163,721	47%
Gunny bags	000's	67,350	68,000	1%
Vegetable oils (edible)	000 tons	724	1,552	114%
Sugar	000 tons	249	686	176%
Flour	000 tons	2,990	4,670	56%
Salt	000 tons	3,460	5,932	71%
Cigarettes	000 cases	2,650	4,700	77%
Paper (machine-made)	000 tons	372	655	78%

The above does not include handicraft products; for which the following indications are given, which should be added to Table II above⁽³⁾.

TABLE III

First Five-Year Plan: Targets—Handicraft Products

	Unit	1952 output (approx.)	1957 target (approx.)	Percentage increase 1957/52
Cloth	000 bolts	26,270	15,000	46%
Paper	000 tons	167	237	42%
Sugar	000 tons	202	414	105%
Salt	000 tons	1,485	1,622	9%

Some further details appear below.

The capital-construction programme for the five years contained 137 projects in light industries, specifying textiles, sugar, paper and pharmaceuticals.

The plan was therefore quite an ambitious one, even within this light-industry sector, though that formed only one-ninth of the whole plan's scheduled industrial-investment, the other eight-ninths going to heavy industry. The above two tables bring out some other interesting features, such as the negligible increase expected in gunny-bag production (stated to be due to "raw material difficulties") and the expectation to replace a considerable part of handicraft cloth production by factory production, but generally a continued heavy reliance on handicraft production throughout the light-industry sector, at this stage.

The "increasing returns" (in output terms) experienced in the period preceding the plan for reasons outlined above must have led to a certain optimism in the formulation of the plan. There was an overall optimism, in embarking on this "giant stride" policy of forced heavy-industrialization; there was optimism also in respect of this "residual" (or dependent-variable) light-industry sector. The present "second thoughts", at the later stage of putting up the Second Five-Year Plan, are to be regarded in the light of the reconsideration of that earlier optimism—besides being the result of widespread popular discontent about the hardships and shortages imposed so far, and reflecting a belated appreciation of the increasing complexities involved, as a "higher stage" of planning is reached (not just a list of key projects, each mainly "autonomous", or fulfillable in itself, as the First Five Year Plan was; but a more intricate consideration of more highly integrated and interlocking progress, with many "balances" and "proportionalities" involved).

Before turning to examine the First Five Year Plan light-industry targets in more detail, we should note the basis of parallel agricultural expansion that was involved. In assessing the results, it will be necessary to consider how much the present reconsideration of the importance of light-industry may be due to a failure on this side—the failure of raw-material supply, or peasant cooperation, to keep pace with the whole programme's demands.

According to Li Fu-chun, the problem of agricultural-raw-material difficulties was to be solved in the First Plan, with a "balance" between agriculture and industry. The specific targets were as follows:⁽⁴⁾

TABLE IV

Agricultural production targets under the First Five-Year Plan

	1952 output	1957 planned output	Percentage increase
(in million tons)			
Rice	68.425	81.770	19.5%
Wheat	18.125	23.725	30.9%
Soya Beans	9.520	11.220	17.9%
Cotton	1.354	1.635	25.4%
Silk cocoons	0.622	0.934	50.0%
Jute and Hemp	0.305	0.365	19.7%
Cured tobacco	0.221	0.390	76.6%
Sugar, cane	7.115	13.175	85.1%
Sugar, beet	0.048	2.135	346.4%

This was to be based, in the original plan, on some degree of cooperation in farming, improvement of equipment and techniques, some mechanization, and large-scale reclamation of land. By 1957 one-third of the peasant households were to have joined "higher" agricultural co-operatives (this was of course tremendously speeded up later), 2,758,000 hectares of waste land were to be reclaimed, and the total area under cultivation in China raised to 110,496,000 hectares. This would appear to represent between 15% and 25% increase in cultivated area, according to how the latter is defined.

* * *

We turn to consider the main items separately.

TEXTILES

1. Cotton spinning and weaving

In the 5 years, 1,650,000 spindles and 47,000 looms were to be installed, bringing China's totals to 7,310,000 spindles and 113,100 looms. 39 major cotton mills, including one knitting mill, were scheduled for construction or expansion under the plan. Most of these would be located in the cotton-growing regions of North, North-West and Central China, to balance the over-concentration in the coastal cities. Privately-owned mills, which accounted for 38.2% of the total number of spindles in China in 1952, would all be under Joint (State and Private) Management by 1957. It was later asserted that the cloth output at the end of the plan would represent an annual average availability of 27.2 feet per capita of China's population⁽⁵⁾. This represents a little less than current levels in Ceylon and India, and less than half that of Japan today.

2. Printing and dyeing

Seven printing and dyeing plants were planned to be newly established or (sic) removed from existing centres, in or to the North, Central-South and North-West. Four of these would be modern in equipment, and would produce 9,600,000 bolts of coloured or printed cloth a year⁽⁶⁾.

3. Silk

Existing enterprises would be developed and extended, and in addition a new and modern silk-reeling mill would be built in Szechuen Province. By the end of 1957, the output of silk fabrics was to reach 69,294,000 metres, an increase of 78.5% over 1952⁽⁷⁾.

4. Flax

Construction of one flax manufacturing plant and one processing plant would be accomplished in the vicinity of Harbin, with Soviet aid, and up-to-date Russian equipment. (These buildings are depicted on one of the postage stamps of China). Production of linen cloth was to be 18.3 million metres, or nearly 64 times as much as in 1952⁽⁸⁾.

5. Rayon

One "artificial fibre" plant in Shanghai was to be restored to production, and another in Antung (Manchuria-Korea border); and a new rayon factory, with an annual production capacity of 10,000 tons, was to be built in Heilungkiang Province⁽⁹⁾.

6. Wool weaving

Three existing woollen-weaving mills were to be renovated and expanded. The total output of woollen fabrics in 1957 was to be 7,500,000 metres, i.e. double 1952⁽¹⁰⁾.

FOODSTUFFS

1. Sugar

Sugar-refining received a special emphasis in the capital-construction programme of the First Plan. 18 sugar factories were to be under construction (sic) with an investment of 4 million JMP for each. A highly mechanized "automatic" sugar refinery was to be built in Inner Mongolia, with East German help. Two plants were to be built with Polish assistance, one in Kirin and one in Heilungkiang. The total output of sugar (including hand-made) was to be 1.1 mn. tons by 1957, an increase of 144% over 1952⁽¹¹⁾.

2. Edible oils

The next most important item appeared to be this, with stress as much on improvement of technique as on increased output. A large new vegetable-oil refining plant was to be built in East China, with a total investment of 3 million JMP. By 1957, the annual production of edible oil (including handicraft production) was to be 1,794,000 tons, 82.5% more than in 1952⁽¹²⁾. This last figure (cf. Table II above) reveals a striking recession in non-factory output.

3. Flour-milling

Main stress was on the better utilization of existing plant; one large new mill was to be built, at an investment of 3 mn. JMP⁽¹³⁾.

4. Salt

Salt production was to be increased by improving techniques. The total planned output for 1957 of 7,554,000 tons (including "hand" made) would exceed the 1952 figure by 52.8%⁽¹⁴⁾.

5. Cigarettes

The number of factories was not to be increased; the rise in output (Table II above) would come out of present "slack" in under-utilized capacity⁽¹⁵⁾.

THE PAPER INDUSTRY

The plan was to secure national self-sufficiency on the current use-pattern, lay the technical foundations for large-scale manufacture of paper for industrial use, ensure a regular supply of newsprint and other kinds of paper, and increase the production of paper pulp.

10 large paper-mills with an investment of 3 million JMP each were scheduled for construction under the Plan, of which 7 would be completed by 1957, by when the production of paper pulp would rise by 85,000 tons, and that of paper by 66,000 tons. Of the total output of machine-made paper of 655,000 tons in 1957, 154,000 would be newsprint⁽¹⁶⁾.

One of the large new projects was the building of a pulp and paper mill at Chiamussu in Heilungkiang Province, to specialize in paper for cement bags, cable wrappings, and other industrial uses. It would also produce the copper-wire netting used in paper-making.

In South China, one large newsprint plant was to be reconstructed and expanded. And a new paper pulp and board mill was to be established in this area, to use bagasse as raw material. In East China, a new cigarette-paper mill was listed, and in North China construction was to begin of a mill for high-grade paper.

With several new State mills coming up, and the private mills coming under control, this industry was to be fully nationalised by the end of 1957, with:

(% of output)⁽¹⁷⁾

State enterprises	61.1%
Joint Public-Private	37.3%
Cooperative	0.1%
Private	1.0%

PHARMACEUTICALS

This industry was avowedly in an infant stage of China. The Plan dealt with anti-biotics, various synthetics, and individual pharmaceutical chemicals, somewhat disjointedly.

Four major pharmaceutical plants were to be built in the Plan period in North and North-East China, two of them with Russian assistance. Some special emphasis was later laid on increasing the output of sulphur drugs. The Plan targets were given as follows⁽¹⁸⁾:

Penicillin	29 mn. vials (300,000 units)
Chloromycine	6,000 kg.
Various sulphur drugs	844,000 kg.

The total output of the pharmaceutical industry was to be six times as large in 1957 as in 1952—but this certainly includes Chinese traditional drugs, herbs, etc. on which great stress was also placed. Emphasis was also on the transformation of the existing enterprises to joint public-private control, training of pharmacists, and extension of research facilities, with a view especially to the utilization of local substitutes and indigenous materials, discovery of new medicinal materia, testing of traditional folk-medicine, etc.

THE RUBBER INDUSTRY

There is little information under this heading. Under the First Five-Year Plan, two existing tyre factories (one in the North East and one in East China) were to be expanded, to the extent of doubling their capacity. At the same time, two new rubber plants were to be built, one a large-scale automobile-tyre factory, and the other to produce various parts of shapes. The 1957 scheduled output was given as 760,000 tyres (assertedly representing "basic self-sufficiency"), and 108.3 million pairs of rubber boots and shoes (cf. 61.7 million in 1952).⁽¹⁹⁾ This, it may be borne in mind, would still represent only about one pair for every six Chinese; all these targets must be regarded as relative to a very large population, and human needs which are astronomically large.

The above gives some general perspectives of the First Plan, in respect of its light-industry content. Our task in a subsequent article will be to examine the results of this Plan, to see how far and in what sense it was fulfilled.

SUGAR

ERRATUM: This section was omitted, in error, from my preceding article "The Basis of Light Industry in China—II Foodstuffs and Miscellaneous Manufacture", in the FAR EASTERN ECONOMIC REVIEW, April 11th, 1957. (E.S.K.)

Sugar is described as a supplementary foodstuff, next in importance to salt. The prewar yearly consumption of sugar in China was estimated at a maximum of one million tons, most of which had to be imported. According to the Chinese Customs statistics, China's imports of sugar from 1924-30 averaged 600,000 tons a year but imports in 1929 were the highest, amounting to 740,000 tons. (China's Light Industry, Vol. 1, No. 4. 1951). From 1931 to 1937, 300,000 tons still had to be imported. (Ta Kung Pao, Tientsin, Sept. 20, 1954).

However, China is a sugar producing country. For more than 35 years past, beet sugar (in the Northeast) and cane sugar (in South China) have been produced. The principal sugar-cane growing areas of China are Kwangtung, Kwangsi, Szechuen, Yunnan, Fukien, Kiangsi and Chekiang. Sugar beet grows in Shantung and Manchuria. Before 1935, there was one beet-sugar refinery in Heilungkiang and one in Shantung; and two cane-sugar refineries in Kwangtung and one in Kwangsi. Hand-made sugar was produced in many other areas. Excluding Taiwan, the national production of sugar totalled about 413,000 tons in 1939, the peak year in China. (Ta Kung Pao, Tientsin, Sept. 20, 1954). These figures include both machine and hand made. A shortage of 500,000 metric tons was calculated, assuming that the annual total consumption in China was 900,000 metric tons, or 2 kilos of sugar per person.

The sugar industry went through a most difficult time, as the result of foreign sugar sales at lower prices, after the war. Many small-scale and ill-equipped sugar works were so much affected as to close, or suspend operation. During the period 1948-1949, there were only 3 big-scale sugar refineries running, with a total output of only 30 thousand tons of sugar.

Since the occupation by the Chinese Communists, foreign sugar was restricted from import, with a view to restoring the sugar refining mills and thus encouraging the industry at home. In the three years ending 1952, the Chinese Communists restored production of the old sugar refineries under state operation. Two mills in the Northeast, two in Kwangtung, and two small ones (in Szechuen and Kwangsi respectively) were said to have resumed production. By 1952, a new sugar refinery had been built in Kwangtung. Production in 1952 was programmed to be 600,000 tons, but the actual output was only 450,000 tons, of which machine made sugar accounted for 249,000 tons. The supply of sugar thus fell far short of demand.

The table following shows the actual output and the proportionate increase of sugar production in the period 1949-52. (Ta Kung Pao, Tientsin, Sept. 20, 1954; FAR EASTERN ECONOMIC REVIEW, No. 4, July 19, 1956).

Year	Actual output (Metric tons)	Index
1949	194,000	100
1950	234,000	122
1951	288,000	151
1952	450,000	234

The above figures include the output of both machine and hand-made sugar, showing a rapid increase to 1952. This was of course attributed to the great expansion of production under the government's recovery programme during the four years. Some remarkable results were recorded in the recovery work in the province of Kwangtung, and by 1952 the acreage under sugar cane and output of sugar were reported to surpass the highest prewar level. This would represent one-third of China's total production of sugar. The following table is from data in the Nan Fang Daily, Canton, Sept. 22, 1954, and Jen Min Jih Pao, Peking, Sept. 8, 1950.

Sugar Output in Kwangtung

Year	Average of cane (mow)	Sugar (metric tons) (Machine and hand)
1936 (peak year) ..	908,000	290,000
1949	41,000	73,455
1952	940,000	297,306

According to Chinese Communist official reports, sugar refining in Kwangtung, both by machine and primitive

SINGAPORE SELF-RULE AGREEMENT

The agreement reached in London between the British Secretary of State, for the Home Government, and the Delegation from Singapore, on April 9 lays the groundwork of a new Constitution for the island which will later be drafted in Singapore. It is a 40-page document in which are recorded the results of three weeks negotiations—a far longer period than had been expected when the delegates set out. But the job seems to have been done all the more thoroughly. Within this framework a new Constitution will be drawn up by the leaders in Singapore which will give the Colony internal self-government but leave external defence and diplomatic relations in British hands. The main features are: (1) Singapore is to control its own trade and cultural relations. (2) The Queen's representative is to be a local man—a precedent in British overseas territories that do not have full self-government. (3) Interlocking aspects of internal security (to be in Singapore hands) and external defence will be supervised by a security council in which the Federation of Malaya will have a decisive voice.

The final agreement followed two days of discussions on a draft report of the conference, prepared by Colonial Office officials, the wording of which the Singapore delegation wanted amended in several of the 80 paragraphs. It was formally signed at a public session on April 11. One of the last questions that came up was that of inserting a clause requiring Singapore to guarantee that whatever the future of the Malayan dollar in relation to the pound, pensions of expatriate officers would always be honoured at 2/4 to the dollar: a safeguard no doubt impelled by memory of what has happened to other pensioners who have suffered from currencies which have depreciated or completely collapsed.

The agreement confers fully internal self-government upon Singapore on a date after January 1 next. In re-

cognition of its advanced status the territory will be known in future as the State of Singapore and not as a Colony. The office of Governor is to be abolished, and a Malayan-born person, to be known as the Yang di-Pertuan Negara (Head of State) will be appointed as the Queen's representative. He should be appointed by the Queen on the advice of the U.K. Government, after consultation with the Singapore Government, and will hold office for four years. The exercise of his functions should be governed by royal instructions which will oblige him to act in accordance with the advice of his Ministers. He will be head of the executive government of Singapore, and will have power to assent to laws passed by the Legislative Assembly. In certain circumstances relative to internal security he should have the power to make Orders having the force of law in Singapore.

The U.K. Government will be represented in Singapore by a Commissioner. For the first six months after the new Constitution comes into force, the officers of the Yang di-Pertuan Negara and the U.K. Commissioner should be held by one person, who need not be Malayan born. The distribution of responsibilities between the two Governments was agreed as follows:—(a) The U.K. Government would continue to be responsible for the external defence of Singapore, and for this purpose and for the fulfilment of Commonwealth and international obligations they would have the full right to the occupation, control and use of the bases and installations in Singapore. (b) The U.K. Government would continue to be responsible for the external relations of Singapore. (c) The Singapore Government would be responsible for all other matters.

It is recommended that the following provision for the protection of Malay and minority interests should be included in the preamble to the Constitution: "It shall be the responsibility of the Government of Singapore constantly to care for the interests of racial and religious minorities in Singapore. In particular, it shall be the deliberate and conscious policy of the Government of Singapore at all times to recognise the special position of the Malays, who are the indigenous people of the island and are in most need of assistance, and, accordingly, it shall be the responsibility of the Government of Singapore to protect, safeguard, support, foster and promote their political, educational, religious, economic, social and cultural interests and the Malay language."

Agreement was reached on the composition and organisation of the legislature and executive. The present ex officio and nominated membership of the Legislative Assembly should be abolished, and the number of elected members increased to 51. Provision should be made for a Speaker, but the present Speaker should be invited to remain in office for at least one year after the constitution comes into force. No provision is to be made for Her Majesty's power of disallowance of Singapore Bills, except in trustee stock matters, in accordance with the Colonial Stock Acts of 1877 and 1900.

The title of Chief Minister is to be changed to Prime Minister, and the posts of ex officio Ministers will be abolished. The portfolios of the Chief Secretary and the Financial Secretary should be transferred to elected Ministers, and the office of Attorney-General should be discontinued, his present functions being divided between an elected Minister, a permanent secretary to the legal department, and a new office to be known as the State Advocate-General. The U.K. Government are to confer on Singapore Ministers full

methods, underwent a rapid restoration. State owned sugar mills increased their production by 117.47% in 1951 and 332.31% in 1952 as compared with that of the year 1950, taken as base.

NOTES

- (1) W.W. Rostow, *Prospects for Communist China*, p. 241.
- (2) Ta Kung Pao, Tientsin, 31/12/53.
- (3) *Light Industry in the First Five Year Plan* (in Chinese) by Ho Min, All-China People's Technical Association, Peking. The First Five-Year Plan, People's Publishing House, Peking, p. 37.
- (4) *ibid*, p. 80 Shabad, *China's Changing Map*, pp. 65-9.
- (5) Ho Min *op. cit* note (3). *Construction of China's Light Industry* (in Chinese) by Chi Shui-shan, Peking, 1956, p. 7. *Far Eastern Economic Review*, 6/10/55, p. 431.
- (6) Chi, *op. cit* *supra*, p. 10. (7) *ibid*, p. 12.
- (8) *ibid*, p. 13. (9) *ibid*. *Far Eastern Economic Review*, 6/10/55, p. 431. (10) Chi, *op. cit.* notes (6) to (9), p. 13.
- (11) *ibid*, p. 19. (12) *ibid* p. 15, Shabad, *op. cit*, pp. 70-77.
- (13) *ibid*. (14) *ibid*.
- (15) *The First Five-Year Plan*, Peking, p. 65.
- (16) Shabad, pp. 65-9. *Construction of China's Light Industry* p. 28.
- (17) *The First Five-Year Plan*, p. 67.
- (18) *ibid*, p. 66. (19) *Analysis of the Five-Year Plan*, by Chang Chu-yuan, p. 186.

responsibility for preserving internal security and preventing subversion, but will retain a vital interest in the subject. A Singapore Internal Security Council would be set up, consisting of the Prime Minister and two other Ministers of the Singapore Government, the U.K. Commissioner, and two other U.K. members, and (subject to the formal agreement of the Government of the Federation of Malaya, terminable on six months' notice) one Minister from the Federation to be nominated by that Government.

The U.K. Commissioner should be Chairman of the Council, which should meet regularly, at intervals of not less than once a month, and if the Singapore Government failed to meet any requirement placed on them by a decision of the Council, the Yang di-Pertuan Negara could be advised to make an Order to secure its fulfilment. The Yang di-Pertuan Negara would then be obliged to make an Order, which would have the force of law.

The U.K. Government, at the final plenary session of the Conference, made it clear that their agreement to the internal security arrangements in particular, and to the new constitution as a whole, was dependent upon provision being made to ensure that persons known to have been engaged in subversive activity should not be eligible for election to

the first Legislative Assembly of the new State. "The Singapore delegation expressed their opposition to this departure from normal democratic practice," the report continued, "and protested at the unilateral imposition of this condition. They made it clear that they could not accept H.M. Government's proposal. For H.M. Government it was stated that this was a condition precedent to the new Constitution which they would have to impose. It was the view of H.M. Government that some temporary restriction of this kind was essential to safeguard the orderly development of democratic government in Singapore against the danger of Communist subversion. Future policy in this respect would be a matter for the Singapore Legislature to decide after the first elections. In the circumstances, the Singapore delegation took note with regret of the intention of H.M. Government."

On matters of trade, commerce, and cultural relations, it was agreed that the constitution should contain a provision on the following lines: "H.M. Government to have the conduct of external defence and external relations, provided that the Government of the State of Singapore, acting with the assent of H.M. Government, shall have the power to initiate and conduct matters concerning trade and cultural relations with other countries." The report states that it is clear that such a practical division in the handling of external relations would make it necessary that there should be continuous consultation between the two Governments, and it was agreed to establish, by administrative action at the time the new constitution came into force, an inter-Governmental Committee under the chairmanship of the U.K. Commissioner. The committee would meet regularly, and not less than once a month.

The position of the public service was also considered, and it was agreed that the Public Service Commission should be incorporated in the constitution, which should contain safeguards for the rights of members of H.M.'s Overseas Civil Service. These would be based on the provisions set out in the White Paper on the reorganisation of the Colonial Service.

The independence of the Judiciary is also to be safeguarded. The Chief Justice should be appointed by the Yang di-Pertuan Negara on the advice of the Prime Minister, who would be obliged to consult the outgoing Chief Justice if he remained available. Other Supreme Court Judges should be appointed by the Yang di-Pertuan Negara on the advice of a council consisting of the Chief Justice, all other Judges of the Supreme Court, and the State Advocate-General. Judges of the Supreme Court should not be removable except by the Yang di-Pertuan Negara on grounds of inability or misbehaviour.

The Singapore legislature, it is recommended, should have the power to amend the provisions of the constitution on matters of internal concern; the power to amend the constitution by Order in Council should still remain, but the United Kingdom Government made it clear that this could only be exercised in agreement with the Government of Singapore, unless the constitution had been suspended. The United Kingdom Government should retain the power to suspend the constitution at any time if, in their opinion, the internal situation in Singapore "had so far deteriorated as to threaten their ability to carry out their responsibilities for external affairs or defence, or if the Singapore Government had acted in contravention of the constitution."

The report states that a separate Singapore citizenship will be created by legislation enacted in Singapore, and the United Kingdom Government have agreed to propose an amendment to the British Nationality Act, 1948, so that Singapore citizens will be recognized under the Act as

JAPANESE ECONOMIC TRENDS IN 1956

The Japanese economy during 1956 continued to grow amidst prosperous business conditions surpassing that of the previous year. Trends in the principal economic indicators for the recent 12-month period showed that industrial production had gained 18.7% and the real wage level by 6.1%. Moreover, the unemployed total had dipped by 30% (210,000 less). Despite this buoyancy, there has appeared a shift in basic economic trends when compared with the previous year. First, the marked rise in prices led by basic producer goods. The rise in 1956 was 8.7% in contrast to the 0.2% dip during the previous year. Second, the notable advance in import accompanied by a shift in the international balance of payments. Although a \$293 million-surplus was recorded aided by the continually favorable export, this was rather a sharp dip from \$494 million-surplus for the preceding year. And besides, this dipping trend became more pronounced during the latter half of the year. Third, the money market began shifting from "active ease" since the preceding year to "tightening" from about June 1956. This shift is attributed to the business prosperity causing the Treasury to withdraw more funds than it spent including the rise in internal increase in tax receipts and the dip in excess payments over receipts from the Foreign Exchange Fund Special Account owing to the notable gain in import. Another factor was the mounting of private fund demands in the form of increased investments. Consequently, the interest rate dipping trend seems to be at a standstill.

This changeover in the monetary situation implies that the business prop has shifted from export to home demand, represented particularly by the investments in plants and equipment. The notable advance in investment demand is also reflected in the recent emergence of production bottlenecks in the basic industrial lines. Moreover, indications are for a belated but gradual upping of the consumption level. These developments may push the boom further. Therefore, the role of monetary policy is likely to assume

British subjects and Commonwealth citizens. Agreement has been reached on the provisions of the proposed Singapore citizenship which take due account of the special position of Commonwealth citizens.

The Singapore delegation thought that elections under the extended franchise which will result from these citizenship proposals must precede the coming into force of the constitution, and it was agreed that the constitution should be introduced on a day after January 1, 1958, when the Governor was satisfied that sufficient time had been allowed for those entitled to the new citizenship to acquire it and to be placed on the electoral roll.

Because of the pressure of Parliamentary business in the United Kingdom, the report says, it will not be possible to introduce the necessary legislation during the current session of Parliament, and although the Government would try to have it introduced as soon as possible in the next session they could not guarantee that the Bill would pass through all its stages, and that the other constitutional instruments would be settled, by any specific date.

The United Kingdom Government also stated that it was not possible, under the present division of responsibilities, to agree to the Singapore delegation's request that relations between the two Governments should be transferred from the Colonial Office to the Commonwealth Relations Office.

greater importance. In particular, execution of a flexible monetary policy will constitute a major problem during the year 1957.

With the inflationary trend halted by the tight money policy pushed through since the fall of 1953, and financial normalization progressing rapidly, it is natural that the financial system should undergo re-examination in the light of new situations. Such measures as re-opening of the corporate bond market, private subscriptions to Gov't short term bills, elimination of the Bank of Japan stamped bill system and rescinding of the LUA were taken in 1956. In June 1956, the Financial System Research Council was formed to study the induction of the reserve requirement system and the problem of protecting depositors.

Financial Retrospect: A notable feature of the financial situation in 1956 was the big shift in basic trends. That is, the easy money market trend since mid-1955 began to tighten from about May of the following year, followed by a markedly busy trend toward the end of the year. Prominent features of the main financial indicators during the past year were:

(1) Sharp rise in bank loans to over three times the rise of the previous year. And mostly reflecting this, deposit currency supply was nearly three times that of the previous year. (2) Gov't accounts with the public shifted from excess payments over receipts to excess withdrawals. Moreover, as the Bank of Japan note issue level rose substantially, cash balance in the money market reversed from excess supply to excess demand.

This monetary trend is closely related to actual economic developments during 1956, particularly to business trends. That is, investment activity which became conspicuous from the latter half of 1955 was further intensified during the following year, which heightened corporate fund demand for plant and equipment and increased operating costs. Besides, economic growth upped demand for deposit currency, followed by increase in income as well as consumption expenditures leading to rise in demand for more bank note issues. And further, the gain in income from business prosperity led to the natural increase in tax revenues. This, together with import expansion, increased Treasury fund withdrawals.

A significant factor in this situation is the relationship between bank credit expansion, and bank liquidity and loan rates. The shift in the cash balance during 1956 has meant that pressure has been put to bear upon bank cash reserves. Ordinarily this situation should cause money rates to rise, thereby checking credit expansion. Actually, however, bank credits have gone upward despite the change in the cash balance. In the interim, money rates including bank loan rates and long term bond rates have continued downward despite call rates (short term money rates) turning upward. It was only at the year-end that the rate falling trend stopped.

From the above description, it could be stated that financial trends during 1956 were not influenced merely by business trends, but took a positive role in pushing business development as the money market had lost its mechanism to adjust automatically the unbalance in fund supply. This irregular situation was brought about in the first place by the inadequate stress on bank reserve holdings and the intense inter-bank competition for loan outlets ever since the easing money markets. But, in general the reason could

be found in the lack of flexibility in the money market rates including rates of Gov't short term bills causing the money market to lose its function of adjusting fund supply and demand effectively.

Production Retrospect: Industrial production upped by 18.7% (Gov't forecast was 4.6%). Manufacturing gained 19.4%. Rises were marked for the investment goods lines as machinery (43.3%), metals (21%) and ceramics (21.9%). Rubber and hides also jumped up 21%. In contrast, mining, lumber, textiles and chemicals (10%-16% rise) went below the average rising rate. Printing and foods were low at 7%. Because of this production growth, supply shortages appeared in varying degrees for steel, electric power and freight capacity from fall. Besides, there was a considerable backlog of machinery orders. But with emergency measures taken and the unexpectedly large water supply, both production and commodity supply balance escaped major dislocations. However, investment increase to cover these deficiencies is naturally expected, as evidenced by the 5-year National Railways modernization plan, highway construction, 5-year electric power development plan as well as expansion and stepping up processes as further rationalization plans for steel making. Outlook is that these will constitute the major factors in widening the investment field.

Production growth, initiated by increased export from about mid-1954, was further accelerated in 1956, pushed by rising home demand particularly expanded plant and equipment investments. Moreover, consumption upped considerably toward the year-end, and indications pointed clearly to a shift from overseas demand to home demand. The above trend can also be said for shipments. According to the Ministry of Int. Trade and Industry, shipment indexes for the industrial production lines upped 17.6%, the most notable covered shipment of investment goods as machinery, petroleum and coal products, steel, nonferrous metals, ceramics and rubber. A notable feature in the shipment trend is that whereas in the latter half of 1955 the rise in shipments was mainly on export-rise propped textiles, shipbuilding, ceramics and chemicals (excl. coal), the upward trend in shipment was accelerated from early 1956 through investment-rise, concentrating on steel, ceramics, coal and machinery. The rise was especially sharp from mid-1956.

There is a note of caution in the Japanese production trend. Whereas the production rising rate in 1956 dipped for the principal nations (as U.S.A., W. Ger., France, Italy) as compared with the rise for the previous year, Japan alone followed a consistently high upward curve. This phenomenon bears watching as there is a time lag in world business trends influencing Japanese trends.

Foreign Trade Trends: Salient developments included: (1) Export pursued a gradual, rising trend during the first half propped by favorable overseas business trends. However, the upward trend began to dull more and more in the second half, although the level remained high. In general, the trend was sideways with ups and dips. In contrast, import followed a cumulatively upward trend throughout the year, mostly in purchases of industrial raw materials. (2) Reflecting this trend, the commodity trade balance revealed a deficit of \$68 million for the year (\$145 m.-deficit for the 2nd half). The previous year showed a surplus of \$106 m. The overall balance (foods and services) for the year indicated a surplus of \$293 million (\$249m. for upper half, but only \$44m. for lower half) in contrast to the \$494 million-surplus for the previous year. Another notable factor was the rise in ocean freight which contributed partly to the aggravation of the balance of payments, Japan being heavily dependent on foreign ship-

ping. (\$295m. deficit in the freight balance; deficit for prev. yr. was \$169m.).

Foreign Exchange Balance
(\$ million)

	1955	1956
Receipt	2,668	3,225
Exp.	1,954	2,492
Sp. Procurements	557	595
Payment	2,174	2,931
Imp.	1,848	2,470
Balance	494	293
Deferred Payment Balance	140	156
Actual Balance	354	137

(3) The dollar account surplus exceeded the previous year reflecting favorable export and special procurement receipts. The sterling balance turned deficit from the sharp rise in import payments. The open account was also unfavorable with shift to sterling settlement and export curtailment to trade deficit countries.

Foreign Exchange Balance
In million dollars
() prev. yr.

Dollar	Sterling	Open
424	108	23
(359)	(119)	(15)

(4) The trade content showed a big shift. In export, machinery led by ships and marine food products upped but textiles and metal goods (particularly steel) dipped. In import, iron ore, coal, petroleum, raw cotton and raw wool gained, but gains dipped owing to the consecutive-year bumper crops. Emergency import of steel and nonferrous metals must also be taken into account. However, as during-the-year arrivals were small, processed goods import went below the previous year.

Trade Shifts (%)

	Food	Textile	Metal	Machinery	Chemical	Others
Export						
1955	6.8	37.3	19.1	12.3	4.7	19.8
1956	7.2	34.8	13.6	19.3	4.2	20.9
	Grain	Textile raw materials	Metals raw materials	Fuel	Other raw materials	Others
Import						
1955	25.3	24.4	7.5	11.7	13.6	17.5
1956	17.3	24.7	14.1	12.8	11.1	20.0

Prices and Retail Business: Retail sales at the year-end were brisk beyond expectations. In particular, Tokyo department store sales in December went 24% above the same month of the previous year. This is due to booming business effects and the big rise in bonus payments. The question, however, lies in whether this brisk retail business is purely seasonal or the forerunner of a steady rise in consumption.

During 1956, wholesale prices upped by 8.7%. Tokyo retail prices also firmed, but only slightly. However, the price rising scene during the year 1956 was not entirely one-sided, but contained the following unbalances. (1) Unbalance between production and consumer goods. (2) Inter-Producer Goods Unbalance and (3) Wholesale-Retail Price Unbalance.

Despite the wide rise in wholesale prices, retail prices remained relatively stable in 1956. Although farm income rose from the bumper crops, and both employment and wage income upped which caused the consumption market to expand, the fact that employment-gain was more temporary than regular or permanent and concentrated more in the medium and small businesses than in the big business, caused a big gap to appear between the consumption rising tempo and the production rising tempo. Moreover, supply of consumer goods including the bumper agricultural products was highly elastic, and confidence in currency value remained strong. Hence, the consumption trend was stable.

EDUCATION IN CHINA

The Minister of Education, Chang Hsi-jo, told the PPCC on March 16 that the educational needs of the people would be satisfied in stages over a period and there could be no rapid solution of such a huge problem. He was replying to complaints that so many pupils were unable to get accommodation in primary and middle schools. He said the enrolment of middle school students last year had reached 5,150,000—five times the total in 1949. Primary school pupils had reached the figure of 63 million. Allocations for school education in 1956 were 4.96% of all State expenditure, and of this about 40% was allocated for culture and health work. Apart from all that the Ministry could do, private schools should be opened by individuals and co-operatives who wished to do so. The question of spare-time technical courses for those who failed in their entrance exams. was being looked into.

It was estimated that about 60% of children of school age would be able to enter primary schools this year, and delegate Li Wu-chiu suggested the extensive organisation of private classes both in the rural areas and in the cities, under the supervision of the education departments. Housewives with education, some intellectuals and some of the middle school graduates who could not enter high schools could be organised to do this work. This view was shared by the veteran educationalist Li Cheng, who was president of several teachers' colleges before the Communist liberation. The "leap" since then had been unimaginable in the past, and it was unrealistic to expect still greater growth regardless of the country's actual capacity. The shift system (already adopted in Hongkong in recent years) was suggested to make greater use of school buildings.

It was stated that four million pupils leaving primary schools would be unable to enter secondary schools; 800,000 pupils leaving secondary schools would be unable to find places in senior schools and 90,000 leaving the latter would not be able to enter universities. But, said Mme. Liu Wang Li-ming, this was incomparably better than the bad old days when 80% of the Chinese were illiterate. The million middle school students who will graduate this summer have already been warned by the Peking authorities that only 200,000 of them will be admitted to institutions of higher education. Peking persuades them to return to their native homes and help their parents and the agricultural co-operatives in the desperate demand for a really bumper harvest this year, which is the priority over all other priorities now after the setbacks in 1956. In an editorial of no fewer than 7,000 characters the People's Daily on April 8 urged students, professors and parents not to look down on manual work on the farm. It told students to accept cheerfully a return to the land and not to expect either industrial or commercial jobs in the cities, or to expect to find a place among the minority who will be permitted to continue their studies in universities and institutes.

China now has 227 universities and institutes of higher learning with a total enrolment of 408,000 students, stated the Vice-Minister of Higher Education, Tseng Chao-lun, on

These factors worked to prevent a big rise in consumer goods prices and in turn of retail prices.

Future retail price trends require careful watching for the consumption tempo has begun to quicken, and past statistics indicate that wholesale price trends are followed up by retail price movements after about a 6-months lag.

March 15. A total of 302,000 students had graduated from the colleges in the seven years ending 1956. Well over one-third of the college students had entered engineering departments, but the rapid development of higher education last year had gone beyond the existing capacity of both teaching staff and equipment. To correct this, the new enrolment of 107,000 students this year would be considerably lower than in 1956. A whole set of teaching systems, much better than before, had been established during the past few years. But the programme was too heavy and many hours of study had burdened the students and this, coupled with the shortage of teaching staff, had influenced the quality of college graduates. In some cases, such as foreign languages, this had resulted in levels even below those before the Communists took over Government.

Measures have been taken to allow greater flexibility in operating the teaching programmes and to develop the initiative of the teachers and the capacity of independent thinking among the students. The weekly class hours are to be reduced and the number of courses cut to provide more spare time for private study. The Ministry had already provided 6,700 more assistants for professors since last year to free them for research work. The State would double the funds for scientific research and for buying more equipment and reference materials for this purpose. The Vice-Minister claimed that China had one teacher for every seven students, a higher proportion than in most other countries, but against that must be set their inexperience. Over 60% of them were rather new. More care is also to be given to the diet and living conditions of the students. He also disclosed that the number of students in China's 1,356 secondary technical schools had reached 772,000 and that these schools had graduated 486,000 students between 1950 and 1956.

Graduates from institutions of higher learning in China are assigned to posts, and often there is cause for discontent. The State Council therefore put out a directive saying that complaining graduates could apply to be re-assigned. The Ministry of Higher Education had quite a lot of letters as a result, most of them revealing how badly the work of assignment had often been done. A graduate in architecture was sent to the Taiyuan Engineering Bureau to assess contracts and there required to attend to telephone calls, cut stencils, make out carbon copies, and mimeograph documents. Some with purely technical qualifications—some of valuable engineering branches—were diverted to wholly administrative functions. Some units flatly mobilised the graduates to adapt themselves to work improperly assigned to them. An engineering graduate trained in thermal dynamics was assigned to teach electrical technology and electrical equipment at a school for technical workers. When he protested, the Party leadership personnel retorted that any request for re-assignment of work would mean the stirring up of ideological trouble, discontent with his station of work, dislike of revolutionary work, and distrust of the Party. The bureaucrats themselves admit that the job of sorting out all the wrong assignments is a complex one—largely because they do not themselves know many of the technological divisions. So the Ministry of Higher Education is content to circulate the hope that everybody in the different professional establishments concerned will be aware of the importance of this problem and investigate and study the position of their graduate staff. Meanwhile the square pegs in round holes are enjoined to wait in patience and with a composed mind till the right thing is somehow done.

REPORTS FROM CHINA

Industrial Developments: The state Economic Commission in Peking announced that out of 550 factories and mines being built or to be started this year, 175 will be completed before year-end. Investments in capital construction by central industrial departments are 1.7% up compared with last year and mostly allotted to coal, power, metals, timber and building materials. Light industries will get a higher proportion of the total investments than last year; the chemical industry 13% more. 67 out of 160 coal mines now under construction will start operation this year with a total annual capacity of 10.8 million tons. 26 of 94 power stations being constructed will be completed with a total capacity of 3,500 million kilowatt hours. 7 big sugar refineries will begin operation; annual output, 130,000 tons. These will bring the number of new sugar refineries to be finished during first five-year plan to 20 with a combined output of 428,000 tons a year. Sugar output this year has been set at 870,000 tons, 2.5% more than last year. Output of pharmaceuticals will go up by 19% in terms of value compared with last year. Approximately 14,800 billion international units of penicillin procaine is to be produced (5.4% more than last year). Production of syntomycin will reach 13,500 kilogrammes (38% above 1956). Sulfathiazole and sulfaguanidine output (20% more than 1956), and production of glucose will reach 5,565,000 kilogrammes (250% more). Output of bezoar will be doubled (this drug is usually used to treat acute fever in the traditional Chinese medicine). A new antibiotics factory is expected to go into operation. Production will also begin at a new aureomycin works in Shanghai and a new vitamine C works in Northeast China. Output of nitrogenous fertilizer will be 19% above

target for 1957. Output of synthetic ammonia will be 20% higher than and sulphuric acid 16% above 1957 targets.

Prospecting of Oil, Iron, etc.: Geological prospecting teams composed of 10,000 technicians and workers are now working in Sinkiang. Prospecting of coal fields estimated at 200 million tons of coal deposits will be carried out in Urumchi region. Deposits of iron ores will be ascertained in central and western stretches of the Tien Shan Mountains. In addition to continued prospecting of oil in Karamai oilfield, efforts will be made to locate new oil fields in northeastern part of Dzungaria basin. Aerial geophysical prospecting will be adopted in search for metallic mines in Inner Mongolian grasslands (chromium, nickel, etc.) and for oil in North and Northeastern China. Prospecting revealed that the Pan Chih Hua Iron Mine in Szechwan has a reserve of 500 million tons of iron ore with an average iron content of 40%. The main ore body is 15 kilometres long; the greatest thickness is more than 100 metres. It is estimated that the deposits are sufficient to supply an iron and steel plant with an annual output of 1,500,000 tons of iron for more than 100 years. In the Northwest, a large lead and zinc deposit was recently located in the oil-rich Tsaidam Basin.

Higher Education: China now has 227 universities and institutes of higher learning with a total enrolment of 408,000 students. A total of 302,000 students had graduated from the colleges since 1949. Over one-third of college students had entered engineering departments. Peking reported the rapid development of higher education last year had gone beyond the existing capacity of both teaching staff

and equipment. The new enrolment of 107,000 students this year is therefore considerably lower than last.

Highways in Tibet: Peking plans to construct three new highways in South Tibet; total length will be about 900 kilometres. One will be from Shigatse southeast to Nilam between Mount Jolmo Longma and Mount Gosainthan. The second will be from a point on the Kangting-Tibet Highway to Chayu on southeastern part of Tibetan Plateau. The third will connect Chushul with Gyantse; it will shorten the distance between Lhasa and Gyantse by over 170 kilometres.

Birth Control: In view of the higher rate of growth in population than the rate of increase in production of grain and other foodstuffs as well as consumer goods, Peking recently ordered her 'people' to practice birth control. Behind the official statement "without planned childbirth, China

could not free herself from poverty and become prosperous, rich and strong", it is believed that the high number of absentees among women workers on account of child birth is upsetting production schedules of many factories throughout China. A recent survey of several textile mills in Shanghai reveals that among 609 pregnant women, 17% were pregnant twice within a year, 53% each year and 22% twice in three years. 58 experts therefore formed the Birth Control Research Committee last month in Peking to study various ways of birth control and to spread scientific knowledge on the subject. The Minister of Health ordered maximum efforts to improve the supply of contraceptives; prices should also be lowered. One official demanded a change in the marriage law to raise the marriageable ages of men to 23 years and women to 20 years as a measure to reduce the birth rate!

TAIWAN'S FOREIGN TRADE IN 1956

By Stephen Y. K. Li

Free China maintained a high volume of foreign trade in 1956. Although exports declined by only two per cent, the total imports under government exchange allocation increased by 24 per cent. Development of new markets for sugar in Near East and Middle East affected adversely Chinese trade relation with Japan. Exports handled by private traders gained ground as the government exports were heavily slashed owing to reduced rice sales abroad. The measures adopted by the government to promote export were instrumental in holding the decline of exports to a minimum. Unpredictable factors such as excessive typhoon damage on Taiwan and the Suez crisis later in the year played havoc with normal trading schedule, but on the whole 1956 was a prosperous year in foreign trade for Taiwan.

Export: Export for 1956 amounted to US\$130,060,000, which was 3.4 million dollars less than US\$133,441,000 of 1955. Rice shipment dropped sharply from 32.8 million to 12.8 million dollars and constituted the main cause for the lower export total. Japan, the sole importer of Taiwan rice reduced her purchases because of an excellent crop at home; and the lack of shipping bottom caused partial delay of shipments scheduled for 1956. Depressed tea prices in the international market clipped about half a million dollars in foreign exchange income although a larger quantity of tea was exported. A heavy typhoon damage was sustained by the banana growers in the fall of 1956, which caused the banana export to fall back from 4 million dollars to 3.2 million dollars in 1956. Exports of lumber, hat bodies, bamboo and cement also decreased.

As a result of the increase of International Sugar Conference export quota and the strong demand from Near East and Middle East, sugar exports soared from 68 million to 76 million dollars, thereby registering a gain of 8 million dollars as compared with 1955. Aggressive sales resulted in larger exports of canned pineapple and citronella oil, which topped the 1955 volume by 10% and 44% respectively.

Governmental efforts to promote process trade were rewarded with the rising export of metal products and cotton textile, which respectively doubled and tripled their 1955 records. Shipments of coal and chemicals (peppermint oil and products) responded vigorously to good demand from abroad.

Imports: Allocation for imports financed by the Government foreign exchange allocations amounted to US\$114,360,000 during the year, which was US\$22,720,000 over 1955. The import of metals and ores, machinery and tools, rolling stocks, crude oil, chemicals, rubber and paints scored significant gains ranging from 24% to 216% over the preceding year. Raw cotton purchase tripled, whereas the import of cotton piece goods was slashed by 60%. Import of rayon and woolen goods declined by 24%. An overall decrease in foodstuffs was seen, including beans, wheat and flour, peanuts, tobacco and marine products. Import of chemical fertilizers showed an 8% decrease.

It ought to be mentioned here that there are three categories of imports into Taiwan: (1) with government's exchange allocation, (2) self-provided foreign exchange imports, and (3) U.S. aid shipments. The above statistics merely indicate commodities imported under Item 1. Besides, increase of imports under one category may be offset by decrease in another category, and vice-versa. In order to see the whole picture it will be necessary to combine their sum totals, which are given in the following Table:

The consolidated imports for Taiwan rose from 190 million to 226 million dollars during the year. Constituting the 226-million balance are (a) US\$114,360,000 allocated by the government, (b) US\$95,374,000 shipments under American aid, and (c) US\$16,580,000 imports financed with self-provided foreign exchange.

Table II indicates that the Capital Equipments Group scored the highest gain of 42%. The capital goods composed mainly of machineries and communication equipments are urgently needed by Free China for the implementation of her industrialization plans. The import of raw materials increased much faster than that of consumer's goods, their

TABLE I
Classification of Exports 1956 v.s. 1955
(in thousands of US\$)

Commodities	1956	1955	+ or - in amount	+ or - in %
Sugar	76,060	67,910	+ 8,140	+ 12.0
Rice	12,337	32,764	- 19,927	- 60.8
Canned Pineapple	6,100	5,582	+ 547	+ 9.8
Citronella Oil	5,107	3,547	+ 1,560	+ 44.0
Tea	5,051	8,594	- 3,543	- 41.2
Metal Products	4,403	2,399	+ 2,104	+ 87.7
Banana	3,146	3,991	- 845	- 21.2
Cotton Textiles	3,097	972	+ 2,125	+ 218.6
Coal	2,338	631	+ 1,707	+ 270.6
Salt	2,282	2,077	+ 206	+ 9.9
Other Agricultural Products	1,365	874	+ 491	+ 56.2
Hat Bodies	1,357	1,682	- 325	- 19.8
Chemicals & Drugs	1,139	897	+ 242	+ 26.9
Others	5,769	5,361	+ 408	+ 7.6
Total	130,060	133,441	- 3,381	- 2.5

TABLE II
 Consolidated Imports 1956 v.s. 1955
 (in thousands of US\$)

Commodity Groups	1956	1955	+ or - in amt.
I. Capital Equipments:			
a. Machinery & Tools	33,767	22,531	+ 11,236
b. Communication Equipments	15,420	10,614	+ 4,806
c. Construction Materials	4,271	4,581	- 310
(Sub-total)	(53,458)	(37,726)	+ (15,732)
II. Agricultural & Industrial Raw Materials:			
a. Fertilizers	20,615	23,200	- 2,585
b. Industrial Raw Materials	79,190	61,863	+ 17,327
c. Crude Oil	15,877	12,759	+ 3,118
d. Raw Materials for Handicrafts	390	620	- 230
(Sub-total)	(116,072)	(98,242)	+ (17,830)
III. Consumer's Goods:			
a. Apparels	1,870	3,518	- 1,646
b. Foods & Beverages	27,959	33,007	- 5,048
c. Drugs	8,431	8,855	- 224
d. Books & Periodicals, Printing Materials, Stationeries, etc.	6,234	5,947	+ 287
e. Daily Necessities	2,878	1,868	+ 1,010
f. Others	9,412	1,104	+ 8,308
(Sub-total)	(56,784)	(54,067)	+ (2,667)
Total	226,314	190,065	+ 36,249

gains being 18% and 5% respectively. These statistics reflect the government's determination to make the best use of its foreign exchange and to cut down on non-essential imports.

By comparing the volume of total imports against exports, it is evident that Free China suffers from a tremendous trade deficit of 96 million dollars, and is still a long way from self-sufficiency free of U.S. economic aid.

Export Promotion Measures: The government authorities adopted a number of export promotion measures which were quite successful in 1956, as evidenced by the substantial increase in the exportation of sugar, citronella oil, metals, coal, cotton textiles, chemicals, and others. These gains added up to 16.7 million dollars and would have elevated the export total but the 20-million dollar decrease in rice exports. Nevertheless, these measures have proved their effectiveness and should continue to benefit Chinese export trade in the future years.

(a) Taiwan not only expanded its sales to Middle East, but also penetrated the East African sugar markets in 1956. Development of new markets has strengthened Taiwan's trade bargaining position with Japan, which heretofore bought over 50% of Taiwan sugar. In Southeast Asia, Free China's participation in the Thai Constitutional Trade Fair scored a big success and favorably impressed the overseas Chinese community. Following that, an exhibition of export articles was held in Saigon, and plans are being made to extend such exhibition to Singapore, Ryukyus, South Korea and other places. There is still much more to be done before actual export sales will increase, but an encouraging start has been made.

(b) The Chinese government signed separate trade agreements with the Philippines and Spain in 1956, aimed at the development of bilateral trade. Negotiations have been going on with Lebanon, Italy and South Korea for conclusion of trade agreements. Furthermore, exploratory talks have been conducted with West Germany, Thailand, Australia and Vietnam on trade possibilities with these countries.

(c) The exchange control authorities liberalized the utilization of foreign exchange certificates issued to exporters by extending their validity from 60 to 120 days. And the banks have been authorized to accept the Exchange certificates as collaterals against loans. Both measures rendered it easier for the exporters to obtain financial accommodation.

(d) For export of certain designated industrial products which are processed with imported raw materials, the Government stipulated that a fixed percentage of the export proceeds be earmarked for these industries to import

HONGKONG GENERAL CHAMBER OF COMMERCE REPORT FOR 1956

IMPORTS

Imports rose more than 22½% over 1955; but this increase has to be treated with a certain amount of reserve. Trade returns include as imports transshipment cargoes (shipments of Chinese or Japanese manufactured goods moving out through the Colony to South East Asia and other destinations) and do not reflect merchanting activity on the part of Hongkong traders. The further diminution of China's purchases from Hongkong illustrates the tendency that China purchases, elsewhere, products which the Colony can supply her under existing controls. However, the introduction of the exceptions procedure at least gives traders here the chance to offer and there are grounds to believe that, in this connection, the nadir has been reached. Lack of business with China focused attention on the local market which is limited, and this, combined with the gradual overtaking of demand by supply in world markets, led to severely competitive conditions. However, importers generally regard the year as an improvement on 1955 and look forward hopefully to 1957.

Chemicals: The outstanding feature in the chemicals trade in the Far East, during 1956, was the emergence of China as a net exporter of the major alkalis, substantially caustic soda and soda ash. Whether this is likely to be a permanent feature of the trade or is only a temporary development is difficult to predict. In HK, import business for re-sale to China was sluggish, as most supplies for that market were bought on a direct shipment basis. Heavy direct purchases were made of insecticides; it seems that China is studying plant protection on an extensive scale. During the year, China adjusted over-centralisation of purchasing in Peking by allowing more "zonal" purchasing through branch offices of C.N.I.E.C. One feature of this was the activity of small number of joint state/private enterprises which developed reliable contacts in HK. China also abandoned most of her insistence on barter terms. Payment by letter of credit, irrevocable but not confirmed, instead of by letter of guarantee, became more general; in her exports, China still insisted on a clean letter of credit. Local industry continued virile and, from the point of view of chemical importers showed encouraging signs of expansion in size and product range and of consolidation of its position in world markets. Purchases by local factories of supplies for the manufacture of enamelware and plastic goods; of dyestuffs and a host of other less bulky articles, continued to provide a useful "bread and butter" trade for local importers. The Philippines showed keen interest in the HK market. Entrepot trade with South Korea and North Vietnam was better than previous year. However, business with South Vietnam was not so lively and with Taiwan, dull.

raw materials for their own use in the future. Success of this measure is proved by the multiple increase in the export of cotton textile and metal products.

(e) An easier credit policy has been adopted by the banks to finance the needs of exporters. (f) The floor price of tea was adjusted in line with the lowering international market quotations; and special measures were instituted to help banana farmers after damaging typhoon hit Taiwan in the fall of 1956. (g) Plans were made to improve the quality of tea and citronella oil, two of the main export items from Taiwan.

Synthetic Fertilizers: Imports of nitrogenous fertilizers are the largest single item in China's foreign trade; last year's bookings were a record. UK was still not a supplier of these goods and so the demand was met by Europe; bookings well over one million tons were reported. The majority of this cargo was shipped direct by chartered vessels; nearly 100,000 tons for South China were transhipped here.

Dyestuffs: China's imports of coal tar dyes from HK in 1956 totalled only \$1.8 million as compared with \$44.6 million in the previous year, but whether the explanation of this virtual stoppage of purchases rests with carry-over stocks from 1955, or with a change in policy, or some other reason, was not apparent. It was, however, known that her purchases in this range of commodities were substantially curtailed from all sources and one partial explanation offered was the low prices obtainable for the cloth or the low quality of the cloth itself did not justify the use of high grade imported dyes. The position may change as China may resume manufacture of high grade cottons subject to supplies of high grade raw cotton. Some of this sharp decline in sales to China was offset by increased shipments to Japan (\$10.8 m against \$0.3 m), South Korea (\$5.3 m), the Philippines (\$1.9 m) and Taiwan (\$1.5 m), but with total exports down from \$53.9 m to \$24.1 m local dealers regarded 1956 as a disappointing year; hopes are, therefore, centred on the possibility that greater Chinese interest, which was displayed at year end, will be maintained and increased.

Pharmaceuticals: Although China bought substantial quantities of pharmaceuticals, her purchases, in the overwhelming majority, were on a direct shipment basis and trade through HK was limited to small ex stock purchases. These were valued at \$2.2 m in respect of vitamins and vitamin preparations, \$1.4 m for antibiotics, \$1.0 m for sulphur drugs, \$0.2 m for anti-malarials and \$1.9 m for other medicinal products. Useful increases were recorded in shipments to the Far East particularly to South Korea, Thailand and the Philippines. The local market, which was substantial, continued highly competitive with supplies plentiful and margins extremely small; US and UK remained principal suppliers.

Metals: The metal market throughout the year was generally dull although China showed increased interest towards year end; dealers anticipated a brighter 1957. The most pleasing feature was the introduction by COCOM countries, during May, of the exceptions procedure, thus permitting for the first time in five years shipments of metals to China; sales to that market during the remainder of the year totalled just over \$13 m of which more than half (\$7.6 m) were mild steel bars both imported and locally manufactured. One of the difficult features was the arbitrary changes by UK Government of the floor prices at which steel plate cuttings and scrap exports could be licensed. These prices were hiked early in February and it was, to HK importers, a new, and not very pleasant experience to find that the change affected all exports, whether in execution of outstanding contracts or not. The subject was discussed, inter alia, by the Chairman and Secretary of the Chamber with a senior official of the Board of Trade, on whom they called whilst both were in London during the summer but H.M. Government's representative proved adamant and no progress could be made. This combined with manufacturing and shipment delays, as well as a near trebling of the freight rates by two ordinary surcharges and the special Suez surcharge, placed several reputable

merchants in the position of having to repudiate substantial contracts during the latter part of the year. Supplies of black plate for the local enamelware industry were well maintained, a total of \$38 m worth imported; US, shipping more than half, was the principal supplier followed by UK and Belgium. Purchases of mild steel plates were trebled to \$29.4 m whilst exports of this commodity rose from \$1 m to \$7.7 m; the retained imports reflected in part activities of HK shipyards. Trade in Japanese galvanised iron sheets exceeded \$54 m; largely moved through the Colony to Thailand and Indonesia. This trade was carried on at very small margins but provided one more illustration of how the Colony could facilitate trade in the Orient. An unique phenomenon last year was shipments to Japan, during temporary shortage there, of nearly \$15 m iron and steel goods including \$3.3 m mild steel plates.

Cotton, Rayon and Synthetic Textiles: The market for cotton yarn was dominated by lower counts from Pakistan and in a minor way from China; 50% of total imports were re-sold, notably to Indonesia and Thailand. Japan was the principal supplier of middle grade yarn (32-42 counts); more than 50% of imports were exported to the same two countries. UK remained HK's chief supplier of sewing threads and high count yarn, largely for use in local industry. About half the rayon yarn reached here in almost equal quantities from Japan and Italy went to South Korea and China; the other half was taken up by HK manufacturers. There was quite heavy movement of other synthetic yarn, mostly Japanese staple fibre, through the Colony; Indonesia was a substantial buyer whilst South Korea purchased more than \$16 m worth of this type of yarn. The piece goods market was dominated by Chinese and Japanese cloths, with China emerging as a very heavy shipper of grey drills and sheetings, mostly for re-export, after bleaching and dyeing, to Indonesia and Thailand. Indonesia was also a very heavy buyer, through the Colony, of Japanese rayon piece goods totalling \$55 m last year.

Woollen Textiles: Importers of woollen yarns and piece goods had a fairly good year. UK returned to its position as the chief supplier; imports from Japan much reduced and from Europe, substantially increased. Japan directed much of her sales effort towards US. Imports of yarn totalled \$27 m, with Japan, although much lower than in 1955, retaining its position as the chief supplier. Imports from UK showed a small rise to \$9.7 m and from Europe a 100% rise to \$3.4 m. A great deal of the very large purchases from Japan during 1955 had been for re-export to Korea and the falling off in this trade accounted for the reduced purchases from that area. An important factor in the yarn trade was the large scale on which two local woollen spinning mills had started to supply the requirements of local glove factories. An outstanding feature of trade in suitings was the 'comeback' registered by UK. Imports from that source increased by \$8 m (40%) over 1955; imports from Japan dropped from \$13.6 m to \$11.3 m. Some explanation for this is found in the expanding mail order trade in ready made suits, mostly with US and the insistence by buyers in that market on cloth of UK origin. There was a reduction in imports of pure wool cloth of other types, both from Japan and from UK. The falling away of purchases from Japan was partly due to the cessation of the Korean re-export trade, and in the case of UK, the drop in purchases of this class of cloth and of woollen mixture fabrics was also due to severe competition from European countries, particularly Italy, who supplied materials in very attractive patterns and blazer cloths at extremely low prices. Purchases of mixture cloth from Europe rose from just over \$1 m in 1955 to more than \$6.7 m last year. The trade in knitted garments of UK origin, mostly retail trade with tourists and visiting service-

men, was brisk; imports totalled \$4.6 m as compared with \$2.4 m in 1955 and \$1.8 m in 1953. Prices remained at remunerative levels throughout the year.

EXPORTS

China Produce: Exports of items traditionally handled in the Colony improved but, again, as in imports many shipments recorded were transshipments. An interesting development during the year was the starting up on a small scale of bristle sorting in the Colony. Bristles were imported in bulk from South East Asia and sorted here. If this work could be put on a larger scale sales to US might be resumed.

Feathers: Exports of feather dropped 30% in quantity from 1955 record. Total value at \$18 m was, however, only 16½% less than 1955 due to higher prices prevailed. Germany bought about 59% of total exports and Scandinavian countries absorbed 20%. Supplies of feathers came chiefly from South East Asia; imports from China accounted for only 23% of the total; furthermore, a good part of imports from China was cargo in transit and consequently not directly involved in local feather trade. Imports from Taiwan amounted to some 17% but chiefly for transshipments. Supplies from Indochina dropped considerably representing only 21% but imports from Thailand increased. During early 1956 the feather market had a few periods of comparative weakness, but for the remainder the tendency was one of considerable strength. At the end of 1956, prices were 30% higher than during first half year.

Hides: The local hides market registered conflicting trends: cowhides advanced on good demand but buffalohides were neglected and suffered gradual price-declines right up to year end when a firmer tendency evolved. The emergence of China as an important supplier of cowhides and the strong buying interest displayed by Japan resulted in substantial increases in imports of hides and re-exports to UK, Taiwan, Japan and the Middle East. At one period, a good run of business in cowhides was possible for shipment to Europe, particularly in medium and heavy weights, but with Japan competing strongly for all supplies, and paying higher prices shipments to Europe declined. Buffalo hides enjoyed a better market than for some time past but were not in regular demand; it is difficult to forecast future price developments.

Oils, Seeds and Kernels: The volume of trade passing through HK had not decreased but a very large part of it was fixed directly between Japan and China; consequently, although HK benefited from a financial and shipping point of view, the business was of little benefit to HK produce merchants. In HK market supply of groundnut oil became very scarce towards year end causing a rapid rise in price which, at the turn of the year, showed no signs of abating. In the past, a shortage of groundnut oil usually increases demand for American cottonseed oil; during 1956 the high price for American cottonseed oil forced dealers to get Japanese soyabean oil as a substitute. The trend which was noted last year, for various West European countries to purchase teaseed oil as a substitute for olive oil, continued into 1956, and total shipments, particularly to West Germany, the Netherlands, and Italy, were higher. This trade, which was done at satisfactory prices, was, however, confined almost exclusively to the first six months of the year. Shipments of wood oil were substantially higher than in 1955, the majority of the increase being taken up by Japan with purchases on a direct negotiation basis. However, there was a very welcome increase in shipments to Australia at prices slightly higher than those obtaining in the earlier year. West European requirements of this commodity continued to be supplied from resales by East Europe. With

China concentrating on direct trade and Japan following suit, HK's share in the oils, seeds and kernels trade is likely to be limited.

Citronella Oil: Exports from HK showed a decided decline during 1956, but this was not a true reflection of the position, because most of this oil was shipped direct from Taiwan on through bills of lading, and the quantity exported was on a par with that of the previous year. During the last three or four months of 1956, considerable troubles were experienced in the fulfilment of orders on account of the unwarranted speculation among Taiwan exporters; as a result there was a very heavy "short" position towards year end when the market rose suddenly because production was much less than anticipated target. America took very considerable quantities during the year.

Menthol Crystals: The bulk of the supply came from China where production during 1956 was very limited. Peking maintained the floor price of 43 shillings per lb. C & F Europe throughout the year, but it was extremely difficult to obtain supplies; the position remained unchanged at year end.

Cassia Lignea: Imports were slightly better than previous year; India and Pakistan increased purchases from here. Most business was done direct between China and overseas buyers; total export from HK was not larger.

Pine Rosin: There were large shipments, mostly direct from the Mainland, during the year; quantities exported from HK also showed an appreciable advance as compared with 1955. Principal buyers were Japan, UK, Indonesia and Netherlands; prices steady throughout the year.

Cassia Oil: Exports to various countries nearly trebled 1955. France particularly showed keen interest in this oil. Prices very steady at 14 shillings per lb. C & F.

Aniseed Oil: Exports were higher than the previous year, with France and UK increasing their purchases and Australia showing more interest. In addition, fairly large quantities were shipped direct from China to Europe. Prices for shipment from HK tended to weaken as the year went by; from 16 shillings per lb. C & F Europe to 12/9 towards year end.

Peppermint Oil: With Taiwan producing peppermint oil to a much larger extent than ever before, and at prices much more favourable than Chinese products, more interest was shown by overseas buyers in oil from Taiwan and, as a result, exports from HK alone were four times greater than in previous year. France, UK, Holland and West Germany were chief buyers; it is anticipated the Taiwan oil will enjoy steady business from now on provided prices can compete with Brazilian and Chinese products. Prices fluctuated considerably during the year and at one time reached such a low level that production was severely curtailed. Eventually, however, the market firmed up, and for the last few months price remained reasonably steady and attractive to producers.

Raw Silk: Exports greatly increased. However the greater part of these shipments passed through the Colony in consequence of business transacted direct between China and buying countries. The goods were usually shipped by junk or rail from Canton to HK for loading onto ocean-going steamers—hence their inclusion in HK's trade statistics although local merchants had not handled them. Imports amounted to 5,450 bales, of which 4,700 came from China and 750 from Japan. Japanese silks were used to a certain extent in local silkweaving industry which caters for US markets, but a large portion was also re-exported to South East Asia. Exports from HK amounted to 4,200 bales; 950 bales to Italy, 900 to Indonesia, 850 to France, 600 to Indochina, 350 to Burma and 200 to Egypt. Smaller

quantities were exported to other Far and Middle East countries, as well as the rest of Europe. India, which has been an important buyer, did not buy any raw silks via the Colony last year. Shanghai steam filtratures continued to play an important part in Europe, but practically all this business was done direct between China and Europe, with shipment from Shanghai; figures were not available. Silk prices remained reasonably steady all through the year, apart from some slight seasonal fluctuations. Prices of Chinese silks were in any case Government controlled.

Waste Silk: The turnover was greatly reduced during 1956 and business was extremely difficult; waste silks were in short supply all over the world. This shortage, which became more pronounced during second half year, resulted in considerable price increases; popular qualities almost doubled their values. A great many shipments from China, via HK to Europe, were the result of direct negotiations between China and Europe. Imports from China amounted to 4,300 piculs, from Indochina 1,600 piculs and from Thailand 600 piculs. Exports, totalling 7,800 piculs, went to Japan (5,100 piculs), Italy (1,600 piculs), France (600 piculs), and some smaller quantities to other European countries. Shipments consisted chiefly of Tussah waste silks and yellow South East Asian waste silks—Canton wastes were extremely short.

Tea: Exports in 1956 showed a heavy decline from 1954 and 1955, due to ample supplies of Common Indian tea at a reasonable price; in consequence, there was little demand for low costing China and Formosan teas, which, in the years 1954 and 1955, were used in considerable quantities as price reducers by big blenders in London and other markets. The London Customs Returns for tea imported from HK showed a decline of nearly 60% from 1955. Towards year end nearly half of Formosan black tea crop remained unsold. It is practically impossible to estimate the crop or stock position in China, but if we can rely upon reports received, it appears that China holds very little stock of black tea, which may be due to Russia absorbing larger quantities of China black tea than previously. Direct shipments from China to UK last year declined by 53% as compared to 1955. Practically no business is possible in China or Formosan green tea through HK, due to China's direct trading with Casablanca importers and barter transactions in green tea with East Europe. As for Formosan green tea, HK exporters are not able to negotiate business, due to regulations in North Africa, which do not permit importers to open credits in favour of HK exporting houses for imports of Formosan green tea; purchases are made direct from Formosa. Total exports of China tea amounted to 7.9 million lbs. valued at \$16.7 m; principal buyers were Malaya (\$5 m), UK (\$1.8 m), Australia (\$1.7 m), US and India (\$1.1 m each) and Indochina (\$1 m).

HONGKONG INDUSTRY

With another record year behind them, and that in the face of ever increasing competition, HK industrialists are rightly proud of their achievements and it can safely be said that without their continued success the economy of the Colony would be in a sad state. Attention was drawn last year to the way in which HK was starting to cater for quality markets as well as those only interested in bulk supplies of cheap goods. More evidence of this was apparent during the year and perhaps the most interesting development was the starting up of a factory to manufacture cameras including the lenses. A tendency for industry to develop in the heavier categories was illustrated by the Shun Fung Iron Works which manufactures reinforcing bars; production rose from 9,400 tons in 1955 to 13,500 tons in 1956. The firm acquired last year a hot rolling mill to increase production capacity.

Enamelware: The enamelware industry had a satisfactory year; business was steady and value of exports substantially increased over 1955. As a result of improved quality, previous set-back was more than compensated. Costs of raw materials, particularly of blackplate waste waste, rose substantially and some manufacturers, who could not absorb these increases, suspended operations for a while. Nevertheless the total number of furnaces in operation at year end was five more than in January and only seven less than the highest number, eighty-four, in 1956. Protective policies, adopted by the Thai, Indonesian, and Philippine Governments in 1955, led to a severe fall in shipments to these areas at the time and, although there was some improvement in shipments to Thailand and Indonesia last year most strenuous efforts were made to replace these traditional markets. A good measure of success was achieved, particularly in West Africa and in the Middle East.

Footwear: All branches of footwear industry showed an upward trend. Rubber and canvas footwear showed a slight increase over-all, a drop of \$4 m in shipments to Canada being more than off-set by further development of other established markets. There was a promising reaction to HK products displayed at the Frankfurt Autumn Trade Fair and shipments to Europe rose by nearly a million dollars over 1955. Exports of leather footwear increased by \$4 m. Malaya retained its position as number one buyer; and an increase in shipments to Africa was recorded. Efforts to increase exports to UK ran up against the problem of mildew developed while cargo was in transit; experiments are being made to eradicate the trouble. Shipments of slippers and house footwear showed an increase of 20% to a total of \$6.4 m, the most notably increased purchases being by US. Embroidered and beaded slippers attracted great interest of tourists.

Garments: Excluding hosiery, gloves and hats, exports totalled \$289 m; \$50 m over 1955. Cotton singlets continued to be shipped in large quantities to traditional markets, principally in South East Asia, with Indonesia re-entering the trade as a very big buyer. A welcome increase also recorded in shipments to various African Territories. Sales of other types of underwear and nightwear also showed an all round increase. Exports of shirts rose by \$6 m; heavy shipments were made to UK and British territories in Africa. Knitted outerwear showed a 20% rise and shipments of other outerwear, such as shorts, jeans, children's clothing, rose by more than 30%. A very wide range of garments (made of knitted and woven fabrics) was shipped to UK; competition was keen. There were quite a large number of cases where UK buyers insisted on cutting out the services of export merchants. Garments were also shipped to Australia and to South Africa, despite import restrictions of a protective nature; there was a great deal of interest shown by Canadian and US buyers. In view of HK's participation in the forthcoming Trade Fair in New York, there are good grounds for believing that exports to these markets will improve this year.

Gloves: Exports of gloves in 1956 totalled \$46.7 m representing an increase of 21% over 1955. Although UK was still the largest consumer, her total purchase fell by half a million dollars but the volume amounted to over 1½ million dozen pairs; it is doubtful whether any further increases can be achieved. The largest increase was reflected in exports to US; from \$3.7 m in 1955 to \$8.8 m last year. This is a very healthy state of affairs as HK gloves have to compete with the Japanese, and do not enjoy any preferential tariff treatment. Exports to Canada also showed a very satisfactory increase from \$1.2 m to \$3.3 m.

Metal Lanterns: Exports, valued at \$17.2 m, were 30% higher than 1955 but this increase was almost entirely made

up of heavy exports to Indonesia and Thailand, while purchases by Indochina, Malaya and Africa were substantially lower. Shipments to US and UK registered slight improvement over 1955.

Elastic: The plastic moulding industry developed substantially in range and in technique; a notable advance was the manufacture of alkathene lay-flat tubing widely used for packaging in local garments industry. Competition in exports is intense and simple household articles also encountered rivalry from home production in traditional markets. However, increased sales were made to Malaya, British Africa, the Middle East and Thailand. Exports of toys and games showed considerable increases.

Preserved Ginger: Total exports in 1956 were slightly lower in value than 1955, this being in part explained by the freeing of prices for a large part of the year, during which there was a fall of 25% to 40%. The new crop was very light and prices at year end were therefore about 10% higher than December 1955. Exports totalled \$9 m; UK retained its position as the principal buyer with a total of \$5 m. Shipments to Netherlands, Australia, West Germany, Canada and US were just under 1955 figures.

Rattan Furniture: Exports in 1956 showed a further 10% increase over previous year. Some of this increase, particularly in shipments to US and Canada, was accounted for by the improved demand for higher quality shell shaped chairs which, although more expensive, enjoyed a great contemporary vogue. Prices fluctuated within narrow margins in the early part of the year but, later on, they were forced upwards by shortage and irregularity of supplies of cane as a result of political disturbances in Indonesia.

Textile Industry: As compared with 1955 shipments of yarn and piece goods last year were a little lower but shipments of locally made-up articles more than redressed the balance and there was an increase in volume and in margins attained. The chief markets, in their order of importance, were UK, Indonesia, Thailand, Burma, Indochina, South Korea, African Countries, Australia, the Philippines and Malaya. There are now 15 cotton spinning mills in HK with an aggregate of 308,284 spindles, working round the clock in three shifts. Production ranged from 10s count to 60s. count in single and in dual-fold threads. Based on 20s. counts, the average production per month is 8½ million lbs. During first half year demand for HK yarn was sluggish. The market turned buoyant during second half year. Quotations for 10s. counts and 40s. counts of yarns rose from \$870 to \$940, and from \$1,570 to \$1,620 per bale respectively but 20s. counts lowered from \$1,180 to \$1,100 because Pakistan cotton yarns, mainly of 20s. counts, were imported in increasing quantities and undersold local products by an average of \$200 per 400-lb bale. In the weaving section, 145 factories had a total of 8,000 power looms; 2,000 were of fully automatic type. Production capacity is estimated at 12 million yards per month, based on a sheeting 36" wide, 60 x 60 density and 20s. counts of yarns. Production during 1956 was mainly concentrated on sheetings and shirtings, jeans, drills, sateens and poplins with lesser quantities of smallwear such as ribbons, tapes and webbing. The piece goods position was fairly steady throughout the year; f.o.b. price of a standard sheeting 36" wide of 60 x 60 density and 20s. yarns, varied between \$0.95 and \$1.05 per yard. Little expansion of plant and machinery took place during the year, capital expenditure was directed towards increasing productivity. A stepped-up programme of promotion and market research in overseas countries, if undertaken, will add strength to the industry.

Torch Cases: Total exports were identical with those for the previous year; slight decreases in shipments to India and Africa were offset by an increase in purchases by US.

Prices remained remarkably steady despite occasional slight difficulties in supplies of raw materials. Several manufacturers introduced new products including: a combination flash-light and buzzer-horn, various types of miniature lanterns, polythene plastic cased flash-lights, a heavy duty hunting lamp and a battery operated midget vacuum cleaner for clothes.

Batteries: Shipments of batteries were down just under 20% in value on previous year's figures. The most noticeable falling away was in shipments to Indonesia, Indochina and Africa but part of the deficit was made up by increased sales to Malaya and various new markets.

Torch Bulbs: Exports were slightly higher than 1955; reductions in shipments to UK and India were off-set by better demand from Indonesia.

SHIPPING AND AVIATION

Shipping: 1956 was another good year of increased activity in all main ocean trades. Exports increased to the Mediterranean area, North Africa and Europe by about 22% in total over 1955 and to Aden and Red Sea Ports by about 9%. The main increase was again in cotton goods. Except for a short period after the closure of the Suez Canal, when shipping space was temporarily tight to some European destinations due to the longer voyage round the Cape, shippers' space requirements to Europe were adequately covered. Unfortunately the closure of the Suez Canal caused a tightness of space to the Red Sea Ports and the Canal. Rates to all these areas were increased by 15% on 1st September to cover greatly increased all-round costs including bunkers. A further 15% surcharge was imposed after the closure of the Suez Canal. The quantity of China produce, mainly from South China, exported from HK to Europe was about 80% higher than in 1955; this increase was almost entirely due to large shipments of rosin. Cargo on through Bills of Lading from North China transhipped at HK to the Middle East and Europe decreased by some 15%. The bulk of the North China trade with Europe was carried by vessels loading directly at Mainland ports, shipments by which increased by about 34%, the main increase being in oil in bulk.

Total exports to the Pacific Coast of North America increased by 4% over 1955. There was a drop of 6% in the volume by measurement of rattan furniture and rattanware, which nevertheless accounted for nearly 60% of the total. This may possibly be accounted for by an increase in the proportion of furniture with metal accessories, such as legs which can be packed separately and therefore take less space. There was a rise of 23% in general cargo shipments including appreciable quantities of sawn timber. Exports to the Atlantic Coast of North America increased by 55% with rattanware, bamboo baskets, plastics, shirts and flashlights in the lead. Cargo for Central America, the Caribbean area and the West Coast of South America showed a slight increase on 1955. This cargo was mainly transhipped in the Panama Canal zone. Rates to the Americas remained in general unchanged, except for a small increase on rattan furniture. Exports to West Africa in 1956 increased by 32% to just over 100,000 Bill of Lading tons, of which about 57% was carried by the direct vessels and the remainder with transshipment in Europe. Cargo for East and South Africa and the East Coast of South America from HK continued to be small in volume and generally decreased slightly. Currency and import regulations in South America continued to restrict exports to that area to a small scale. In 1956 the phasing system for the port of Mombasa was abolished following port improvements, particularly in better railway facilities to the interior, which resulted in cargo being cleared much

more rapidly from the port with consequent relief of congestion.

Tonnage discharged at HK increased considerably, with the proportion of cargo delivered overside into consignees' lighters remaining in the fairly constant proportion of about 45%. Imports of constructional materials for HK building projects continued at a high rate. Tonnage of cargo stored in HK godowns improved during the year, but godown space was at all times easy. Hazardous cargo space was slightly easier, but always well occupied. About 17% of cargo landed was put on long-term storage. Godown space generally was about 65/70% utilised throughout the year. The efficiency of the port of HK was well maintained and it remained a comparatively cheap port. Transshipment cargo rates increased by some 25% owing to increased costs, but this was the first increase since 1949. Godown storage rates may likewise increase later.

Throughout 1956, liner and tramp companies operating mainly in Far Eastern waters were kept busily occupied, although the year was, at the same time, a period of steadily increasing costs including wages, port and stevedoring charges and bunker fuel. Chartering rates rose steadily throughout the year and took a sharp upward swing after the closing of the Suez Canal. For much of the year, particularly towards the end, it paid owners of 2,000 to 4,000 ton deadweight vessels to charter them out rather than keep them on liner runs, particularly to and from China. In general, the local market was kept short of ready tonnage by the steady demand from other areas, notably Indonesia, where profitable employment enabled charters to pay high prices. Liners on local trades were on the whole fully employed. Japan's exports to South East Asia ran at a high level, and China greatly expanded her trade to the same areas. Vessels plying between HK and Bangkok, and to and from Malaya were well supported, but the trade from here to Saigon and Phnom Penh was disappointing. Borneo sometimes found itself short of tonnage for timber to HK and Japan, while HK's trade with Formosa maintained a steady, though unexciting, level. There were two main exceptions to the otherwise satisfactory berth cargo position. Firstly liners returning to China from the south, particularly from HK, found regular cargoes hard to come by. There were considerable movements of copra and sugar and a lesser amount of rubber from Indonesia to China, and some rubber from Malaya, but this cargo moved in full ship quantities, and by its nature hardly constituted a satisfactory liner trade. Secondly, although northbound vessels from Australia were reasonably well supported, the Australian import restrictions led to these vessels returning to Australia with large amounts of unengaged space. In most liner trades increases in rates of about 10% were imposed about mid-year as some compensation for rising costs. Rates to and from China were a notable exception, and they remained steady throughout the year. Fixtures for iron ore from Dungun to Japan were made last season at about 62/6. This season the going rate is about 85/-. Rice from Bangkok to HK paid HK\$45 at the end of the year, against about HK\$30 at the beginning. Logs to HK from Borneo increased from HK\$65 to HK\$77. Demand for Chinese crews from overseas owners remained heavy. The supply here is not inexhaustible, and the bottom of the barrel is near to being scraped.

Aviation: 1956 showed further increase in the amount of traffic using the airport, and government statistics show increases of 10% for aircraft, 28% for passengers, 18% for freight, and 15% for mail. New types of aircraft seen at HK Airport were the Vickers Viscount, the Douglas DC-7C, and the Lockheed Constellation 1049, all of which will be operating on scheduled services through HK in 1957. The

HONGKONG TRADE AND INDUSTRY IN 1956

At the annual meeting of HK General Chamber of Commerce, the Chairman reviewed at length trade and industry developments last year, and a summary of this review follows below:—

Hongkong's visible adverse balance of trade at \$1,356 million was again a record; it exceeds 1938 figure for the Colony's trade which stood at \$1,327 m. A rise in the adverse balance had to be expected in view of the increasing population, with its additional food bill and the amount of building and industrial expansion which continues. The fact that there has been no shortage of sterling for trading reflects that invisible exports had a good year. An important source is the amount of business negotiated by Hongkong merchants for direct shipment to or from China. Although 1956 was not a particularly good year in this respect, there is increased activity at the present and it will help to lighten some of the gloom in trade with China. The level of exports to China is the most important thermometer of HK's health as an entrepot. The changing pattern of trade in East Asia tends to diminish the force of this statement, and China's desire to obtain as large a part of her imports as possible by direct shipment from the country of origin places a severe limit on her probable purchases from HK stocks. Nevertheless, it is discouraging to record a further decline of 25% in exports to China which, at a value of \$136 for the year, represents only 4% of HK's total export.

Some easing of the strategic embargo represented by the initiation of the "exceptions procedure" stirred hopes of increased trading possibilities, but results so far have been disappointing, particularly in respect of obtaining U.K. export licences; the routine involved has proved somewhat cumbersome and all too often slow in operation while, even more important, the absence of any clear cut listing of commodities in accordance with strategic classification has placed merchants in a most invidious position when negotiating with prospective customers. We believe that complete relaxation of restrictions on trade with China is overdue, and that if full relaxation remains out of the question there should at least no longer be differentiation between China and other members of the Eastern bloc as regards "per-

mitted" items. Furthermore, traders should no longer be left in any uncertainty as to the classification of products for licensing purposes. The steep rise in imports from China is accounted for almost wholly by increased movement through the Colony of China's agricultural and light industrial products. Imports retained here were chiefly food-stuffs. There was a substantial increase in retained imports of building materials.

With other trading partners 1956 was a good year. Japan moved up to second position after China, much of the increase being cargo transhipped through the port. With UK, the third on the list, there was an increase of 16% in imports while increase in exports was 19%. UK's favourable balance with us was greater in 1956 than in 1955 by \$25 m. Recently a mission from Lancashire came here to ask Hongkong to set a ceiling on exports to UK. It seems less than realistic to view the production of HK's 300,000 spindles and 5,000 looms as a menace to the might of Lancashire with its many millions of spindles and tens of thousands of looms. HK has to produce at economic prices in order to support the growing industrial population. We are basically opposed to artificial trade barriers particularly when these are raised to protect industries which are producing at costs above what world buyers will pay. There was an increase in trade with US, both imports and exports rose by 30%. Increase in exports was made up entirely of increased sales of Hongkong manufactured goods. Trade with SE Asia had its ups and downs since 1953. Imports were generally steady. In exports, Malaya had been a regular customer and there were increases in shipments to Vietnam, Laos and Cambodia and to India. With most of the other countries however there were violent fluctuations. The lesson, particularly for our industrialists, seems to be that we must develop new markets.

Local industry had another year of progress in the face of severe competition. However, our textile industry will have to be on the alert if it is to hold its own against the products of China which began to reach export markets during the year at prices for which the word 'competitive' is inadequate. The starting up of a factory producing cameras and the increased local production of steel reinforcing bars mark a further stage in industrial growth.

1956 was, for most traders, a slightly better year than 1955. Hongkong has again to thank its industrialists whose energy and ability have done much to keep our economy healthy. Our banking, merchant, and shipping interests are ready to take advantage of all opportunities that arise and we look forward to 1957 as a year in which we can hope for some further loosening of the bonds which have, for so long, fettered our trade with our natural market.

HONGKONG COMPANY MEETINGS

HONGKONG AND SHAI HOTELS, LTD.

Mr. H. Kadoorie, Chairman, at the annual meeting held on March 29, said inter alia: The construction of Peninsula Court is proceeding satisfactorily and the building will be ready for occupation about the middle of the year. Originally, it was not intended to provide a restaurant in this building; however, in the light of present day demands from tourists, it was decided that one is necessary. The premises will be air-conditioned and will seat about 180 persons. The estimated cost amounts to \$340,000. In the Peninsula Hotel after the Hongkong and Shanghai Banking Corporation have moved into their new premises the space will provide additional accommodation for airline offices. During last summer's extensive renovations were carried out at the Peninsula Hotel; 88

bathrooms were completely modernised. The present intention is to continue this work during the summer months ahead, and it is hoped that the end of 1957 will see all our bathrooms completely modernised. At Repulse Bay an extension has been built on the west side of the main block. This will provide a new main entrance to the Hotel and will also house the office of the Manager, the Reception, etc. There will also be a ladies beauty salon and a shop where pharmaceutical and photographic equipment may be obtained. Extensive re-piping will be undertaken throughout the hotel; in addition about 25% of the small air-conditioning units have reached the end of their useful life and will have to be replaced. From the foregoing, and taking into account the fact that there was still some \$2,000,000 outstanding in connection with Peninsula Court at the end of 1956, which is included in the figure of \$3,322,112 Sundry

Creditors and Credit Balances, the Company has a heavy programme of expenditure to meet during the current year.

Business in 1956: The Peninsula Hotel had another record year; the addition of a calorifier to the Air-Conditioning Plant made it possible to central heat the areas. 'Gaddi's' continued to attract patrons of discrimination. Repulse Bay had a good year; the air-conditioning of the front rooms and the re-introduction of the private bus service paid dividends. The increase of \$418,311 in the Working Profit reflects the tourist traffic passing through the Colony. The reduction in both rent and interest, following the sale of the Hongkong Hotel site, was more than offset by this increase. The position with regard to Company's property in Shanghai remained unchanged.

A. S. WATSON AND CO. LTD.

Chairman's Statement: The nett profit for the year ended October 1956 after providing for taxation is \$1,428,363 which compares favourably with \$584,173 for the previous year. Directors recommend a dividend of \$1 per share, absorbing \$600,000 and the transfer of \$650,000 to general reserve. Compared with 1954/55 profit from working account is higher by \$1,025,000. Gross profit from aerated water operations increased considerably over the previous year, while that from the pharmacy and drug departments was up. The wine department registered a slight drop in gross profit in spite of an increased turnover. Expenses were up by \$330,000 in comparison with 1954/55. The greatest proportion of these are directly connected with the very substantial increase in production and sales of aerated waters on the local market. In addition to the intense competition in the local market as affecting the margin of gross profit of the industry locally there was a phenomenal increase of some 50% in price of sugar. This may adversely affect the profits from the whole industry for the current year. During the 12 months under review the aerated water industry reached its greatest volume in local sales, and the percentage of increase in the volume of our sales exceeded that of the industry as a whole. The benefits from the Burma franchise justified expectations. As the Malayan Company is just starting its career and in view of the fact that the shares issued to us are deferred shares, directors consider it prudent to create an investment reserve of an equivalent sum but they nevertheless hope that the new company will prosper and that when it is fully established it will contribute to the profits of the Company.

At an Extraordinary Meeting held immediately after the Annual General Meeting on March 28, a resolution for increasing the authorized capital by capitalising \$1,000,000 from general reserve was passed. 100,000 shares of \$10 each, credited as fully paid, will be issued to registered holders of the 600,000 shares already issued, in the proportion of one new share to every 6 old shares held on March 28, 1957, no fractional shares to be issued. These shares will participate fully in any dividends that may be declared from the profits of the Company's financial year which commenced on November 1, 1956 and in all other respects *pari passu* with old shares.

Star Ferry Piers: New Star Ferry piers have attracted adverse criticism from the majority of passengers. The distance from entrance to ferries is too long, the climbing of stairs is inconvenient, there is no protection from wind and storm, etc. The Company has so far kept silent; public criticism has not provoked any improvements. It is true that the length of piers cannot possibly be cut short now and there is no alternative for getting on to the upper deck of ferries besides climbing those steps. There are however possibilities for other improvements. Lack of imagination

NORTH POINT WHARVES, LTD.

At the annual meeting on March 21, Chairman S. M. Churn reported that cargo handled by the Company again showed an increase and its properties worked to near capacity throughout 1956. The profit was \$596,159, representing 8.46% on the issued capital. This was an improvement over the previous year of \$59,500 or 11%. The Directors' report showed the balance available for appropriation was \$1,675,387. A dividend of 50 cents per share absorbing \$352,250 was announced.

HONGKONG AND WHAMPOA DOCK CO. LTD.

Mr. L. Kadoorie, Chairman, at the annual meeting on April 6, reported: 1956 showed further increase in the volume of work undertaken. As we are affected by events elsewhere in the world, it would be unwise to forecast results of 1957, but the year has started with a continuation of demand. The blockade of Suez Canal slowed down delivery of essential raw materials, but our policy of maintaining large stocks enabled us to continue work without interruption. The demand for tonnage probably led to an increase in work for our Company. During 1956 we handled approximately 600 vessels aggregating 2,500,000 gross tons; 330 of these were drydocked or slipped and the remainder repaired alongside our yards or in harbour waters. The largest vessel docked was a 32,900-ton oil tanker.

Labour relations have been on the whole amicable. Most expenditure incurred has been in modernising existing equipment. We have decided to proceed with further improvements and additions during 1957. Assets totalled \$38,603,514 and liabilities \$12,330,142. Net profit was \$8,888,331; \$4,803,136 over 1955. The meeting confirmed the issue of capital bonus of \$5 a share, and the payment of a \$2 dividend and a \$1.50 bonus.

HONGKONG AND YAUMATI FERRY CO. LTD.

Mr. T. N. Chau, Chairman, presided at the annual meeting on April 3. The Report of Managing Director reads: Net profit was \$6,249,387; \$742,013 more than 1955. The Company's ferries carried a record number of 81,650,000 passengers as against 77,250,000 in 1955. The Jordan Road-Wanchai route carried 18,910,000 passengers, and the vehicular ferries transported over 1½ million vehicles. During the year, two single-ended vessels, Man Tien and Man Tat, and two double-ended vessels, Man Foon and Man Tai, were put into service. The staff were granted a general increase in wages as from January 1, 1957, in view of the rising cost of living. This will add a substantial sum to expenses for the coming year.

Government has decided not to build any cross-harbour tunnel and made known its intention to consider the advisability of a second vehicular ferry service. Government Budget for 1957-58, vehicular ferry piers have been listed in category B of the Public Works Programme, which means approval in principle has been given, and sketch plans will be proceeded with as soon as staff are available.

HONGKONG NOTES AND REPORTS

in designing is evident in the placing of toilet rooms at end of the pier where passengers could otherwise command a beautiful view of the harbour if the space is left free of obstacles. The toilet itself is badly designed; door opens in a most awkward way and fixtures inside are undersized—not big enough even for the average Cantonese.

Tourists: "Caronia", the 34,000-ton luxury liner, brought here 535 tourists for a 2-day stay at the beginning of this month. These passengers who had paid US\$1.6 million for their world tour did not spend much during their

short stay in HK because conducted tours arranged by a travel agency occupied most of their time. They returned to the ship every night and did little shopping. HK should do better than offering conducted tours to visitors. In view of the growing deficit in HK's visible trade, earnings from tourist trade will occupy more importance in the future economy of HK. However, nothing has yet been done to promote HK tourist trade since the publication of a report by the Working Committee on Tourism last year. Why the delay?

Kai Tak District Development: The land between Clearwater Bay Road and Kowloon Hills, totalling 500 acres, is the only large area of flat land in Kowloon not yet fully developed. Completion by 1958 of the new Kai Tak runway will release northern section of present airport for building development and will be included in Government's long-term plan for this district. Town planning of the whole district has not yet been completed; however two building schemes will be undertaken within next 18 months. The first scheme consists of a multi-storey resettlement building at Wong Tai Sin; work will start in May and be completed before end of 1958. The second scheme provides a 26-acre site for development by HK Housing Authority at eastern end of Kai Tak near the junction of Clearwater Bay and Kun Tong Roads. Total population of Kai Tak district is about 70,000 persons. Only 8,500 of these will be affected by the two schemes—7,000 at Wong Tai Sin and 1,500 at Clearwater Bay Road junction. Alternative accommodation has been offered to everyone who is required to move.

Housing Projects: Construction of 1,955 flats in three multi-storey blocks by HK Housing Authority at Java Road is nearing completion. Total cost will be about \$33 million. The Authority's second estate consisting of 640 flats and costing \$7.5 million will be built at Cadogan Street in Kennedy Town; site formation is in progress and construction work should be completed by year-end. The third project will be at So Uk in Shamshuipo. These flats with rental varying from \$60 to \$120 per month will be available only to persons with monthly income between \$300 and \$900.

Resettlement of Factories: Government will build a 5-storey structure on the Cheung Sha Wan Reclamation to resettle factories from various squatter areas. Construction work will begin this June. The H-shaped building will have a total of 93,000 square feet of workshop space. This will be the first venture to resettle small factories in a multi-storey building.

Irrigation Reservoirs: Two reservoirs with a total capacity of 50 million gallons were recently completed by Government at Ping Shan in the New Territories for irrigation of farm land in Tuen Mun, Ping Shan and Ha Tsuen areas totalling 2,250 acres. This is the biggest public work so far done in this Colony for agriculture.

Shipbuilding: The 6,580-ton mv 'Chekiang' will be launched in mid-April at the Taikoo Dockyard. The vessel, ordered by China Navigation Company, is built on the same lines as her sister ships, 'Chungking' and 'Chengtu' built at the same yard during the past two years. The Chekiang has an overall length of 422' 2", a breadth of 55' 9" and a depth of 33' 6". Cargo capacity will be 350,000 cubic feet and there will be accommodation for a crew of 59.

HONGKONG INDUSTRIAL REPORTS

Oyster Production: Oyster production at Deep Bay beds in New Territories now averages 230,000 catties per month. Local businessmen in association with a Japanese company last year completed a commercial pearling experiment at Kat O Island in Mirs Bay. Results are encouraging; 2,995 pearl oysters embedded with nuclei by Japanese technicians were harvested yielding 4,100 blister pearls varying from 14 mm to 27 mm in diameter.

Woollen Textiles: A large variety of worsted materials will soon be manufactured in HK. A factory now under construction in Tsun Wan will be in full operation during second half year; production capacity will be about 70,000 yards per month. Looms from Japan, UK and West Germany will be operated by women workers now under training. If locally produced flannel, serge, gaberdine and other woollen textiles could be kept at a reasonably high standard they should be able to compete favourably with Japanese and Italian materials in local market; but it is doubtful whether HK products could replace British materials especially in suits tailored for exports to US.

Oven-Glassware: Heat-resistant glassware are now produced in HK. Raw materials and equipment came almost entirely from UK. Products now being manufactured are lamp chimneys, coffee percolators and shallow oven dishes. Monthly output of a local factory employing 25 workers is about 4,000 dozen pieces. Principal markets are in SE Asia.

Plastic Toys: HK plastic toys enjoy a steadily growing export demand. Orders come from countries as far away as Norway and US. A news item introduced recently is the toy helicopter. It is launched by a starter and can reach a height of 50 feet. However, it has no propulsive mechanism and remains in the air for a comparatively short time like a glider. Monthly production capacity is about 300 gross. Trial shipments have been sent to UK, Middle East, Africa, US, Canada and Australia.

Ballpoint Pens: There has been a report that a local manufacturer would establish a plant for the production of ballpoint pens. This would seem to be a bad idea as it

doubtless would lead to disappointment on the part of buyers. Even the much vaunted Parker ballpoints have proved to be usually valueless as the writing liquid in the cartridge frequently does not flow at all or so thinly and irregularly that the use of Parker ballpoint pens must be discouraged. Japanese products are on the whole not much inferior to American ballpoints but the whole production of these irritating writing utensils should, as probably it will, be discontinued, and the return to the fountain pen, which never fails the user, will then be joyously celebrated. Therefore the idea of a local production of these by and large useless ballpoints should be abandoned and in its stead the manufacture of several types of fountain pens be studied. The ballpoint pens, incorrectly so called because they are no pens, have inflicted on buyers, here and everywhere, much harm as the purchase of them in very many cases turned out to be a total financial loss on account of the faults inherent in the manufacture of the so-called cartridge. The otherwise well-established trade name of Parker has, because of the sale of defective ballpoint pens and the irresponsible sales propaganda, suffered on all markets. The same fate should not overtake a local ballpoint pen manufacturer.

HK Industrial Development: Vice-Chairman of HK Industrial Production Trading Association (Mr. Lee Chung-Chiu) advocates that HK's economy should be based on industrialization. Mr. Lee opines: In view of the growing local population and the uncertain prospect for entrepot trade, HK must speed up industrial development to provide jobs for her people and to earn foreign exchange to offset the trade deficit. HK already has efficient shipping and banking facilities to send goods to any overseas market and to import materials and equipment from any supplying country. There is also abundant cash in the Colony. The question is how to channel funds into industrial development. Government could perhaps induce investment by setting aside land for factory buildings and floating industrial loans. Manufacturers on their part should improve the quality of their products, increase production efficiency and cut down cost.

HONGKONG SHIPPING IN FEBRUARY, 1957

	Vessels				Cargo	
	Entered		Cleared		Arrived	Departed
	No.	Ton	No.	Ton	(ton)	(ton)
British	241	458,107	227	442,789	151,266	52,308
American	13	68,969	13	68,969	6,509	4,596
Cambodian	1	557	1	557	1,185	220
Chinese	16	4,583	14	4,100	5,262	3,701
Danish	17	58,705	16	57,690	12,748	9,345
Dutch	17	64,188	17	64,188	17,825	11,144
Finnish	2	5,546	2	5,546	—	—
French	5	26,508	7	28,759	8,473	3,676
German	4	19,709	4	19,709	3,349	3,020
Indian	1	2,635	1	2,635	31	350
Italian	1	2,991	1	2,991	3,501	398
Japanese	33	96,582	33	96,582	13,347	20,989
Korean	4	8,365	4	8,365	4,630	1,428
Liberian	2	4,246	2	4,246	973	1,404
Norwegian	33	90,507	36	93,961	53,499	19,170
Panamanian	10	15,585	13	20,266	7,456	5,644
Philippine	3	8,806	3	8,806	270	670
Polish	1	3,264	1	3,264	—	—
Swedish	8	22,147	8	22,147	6,378	3,815
Thailand	1	1,672	1	1,672	671	500
Total	413	963,622	404	957,192	297,373	142,378

HONGKONG AIR TRAFFIC IN FEBRUARY, 1957

Regions	Departure			Arrival		
	Passenger	Freight (Kilos)	Mail (Kilos)	Passenger	Freight (Kilos)	Mail (Kilos)
Australia	190	2,747	—	127	1,733	—
Bangkok	1,010	15,465	2,797	900	10,306	2,481
Borneo	89	2,327	86	137	27	91
Burma	132	5,889	208	96	358	205
Cambodia	—	12	143	—	—	74
Canada	114	1,104	360	59	621	226
Europe	123	10,577	119	47	4,528	1,008
Formosa	551	29,791	1,457	520	1,734	361
Guam	5	2,363	21	2	83	22
Honolulu	132	100	65	26	104	64
India	234	6,246	1,700	235	2,617	1,203
Indonesia	4	—	—	4	—	—
Japan	1,411	3,995	3,411	1,498	10,294	2,613
Laos	62	19,354	52	24	4	23
Macao	—	4,738	—	—	—	—
Middle East	39	698	36	22	232	74
Okinawa	95	6,351	65	56	815	—
Pakistan	54	2,291	86	33	212	198
Philippines	1,170	7,670	1,927	1,527	2,199	972
Singapore	559	10,737	3,404	459	3,046	2,144
South America	16	1,030	17	10	10	13
South Korea	277	2,809	323	253	294	182
United Kingdom	181	12,533	483	175	17,520	—
United States	145	3,180	3,359	41	4,462	2,907
Vietnam	273	6,470	60	297	2,709	32
Wake Island	—	146	—	—	—	—
Total	6,866	158,623	20,179	6,548	63,908	14,893
Direct Transit	751	26,570	—	751	26,570	—

Total Aircraft Departures = 299.
Total Aircraft Arrivals = 297.

PART II

	Imports H.K.\$	Exports H.K.\$
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings -----	—	1,222,895
Furniture and fixtures -----	36,730	461,879
Travel goods, handbags and similar articles -----	—	614,234
Clothing -----	—	2,540,564
Footwear -----	—	675,803
Scientific instruments; photographic & optical goods; watches & clocks -----	—	114,259
Miscellaneous manufactured articles -----	—	3,122,657
Live animals, not for food -----	1,578	1,512
TOTAL -----	39,861,306	48,774,595

	Imports	Exports
	H.K.\$	H.K.\$
Meat and meat preparations	—	1,128
Dairy products, eggs and honey	—	1,270
Fish and fish preparations	313,247	60
Cereals and cereal preparations	5,925,851	1,550
Fruits and vegetables	583,954	19,431
Coffee, tea, cocoa, spices and manufatures	—	14,205
Feeding stuffs for animals (not including unmilled cereals)	26,575	—
Miscellaneous food preparations	—	10,732
Beverages	—	11,587
Tobacco and tobacco manufactures ..	—	1,079
Oil-seeds, oil nuts and oil kernels ..	21,248	—
Pulp and waste paper	—	292,859
Textile fibres and waste	43,932,106	18,280
Crude fertilizers and crude minerals, excluding coal, petro- leum and precious stones	—	3,120
Animal & vegetable crude mate- rials, inedible	68,200	1,197,785
Animal and vegetable oils (not essential oils), fats, greases and derivatives	—	49,002
Dyeing, tanning and colouring materials	—	14,910
Medicinal and pharmaceutical pro- ducts	—	153,223
Essential oils and perfume mate- rials; toilet, polishing and cleansing preparations	—	8,510
Explosives and miscellaneous chemical materials and pro- ducts	—	13,490
Leather, leather manufactures, n.e.s., & dressed furs	1,675	1,200
Rubber manufactures, n.e.s.	—	1,260
Wood and cork manufactures (ex- cluding furniture)	—	4,245
Paper, paperboard and manufac- tures	—	29,122
Textile yarn, fabrics, made-up articles and related products	47,164,178	607,323
Non-metallic mineral manufac- tures, n.e.s.	—	14,706
Base metals	—	115,925

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Manufactures of metals	—	788,494	Electric machinery, apparatus and appliances	—	67,896
Machinery other than electric	—	185,793	Transport equipment	24,000	1,216
Electric machinery, apparatus and appliances	—	787,436	Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	9,822	2,026,986
Transport equipment	8,086	47,852	Furniture and fixtures	—	42,095
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	530,069	Travel goods, handbags and similar articles	—	57,413
Furniture and fixtures	—	60,592	Clothing	—	5,124,776
Travel goods, handbags and similar articles	—	945	Footwear	—	57,579
Clothing	584	42,418	Scientific instruments; photographic & optical goods; watches & clocks	—	47,460
Footwear	—	5,709	Miscellaneous manufactured articles	1,034	1,836,583
Scientific instruments; photographic & optical goods; watches & clocks	4,007	40,040			
Miscellaneous manufactured articles	1,190	235,023	TOTAL	32,008,004	29,463,147
Live animals, not for food	—	977			
TOTAL	98,049,901	5,311,345			

SOUTH AFRICA

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Meat and meat preparations	2,512	4,370	Fish and fish preparations	—	7,162
Dairy products, eggs and honey	—	288	Cereals and cereal preparations	—	244
Fish and fish preparations	12,885	27,834	Fruits and vegetables	—	7,098
Cereals and cereal preparations	41,481	20,153	Coffee, tea, cocoa, spices and manufactures	—	74,626
Fruits and vegetables	1,673,734	283,423	Miscellaneous food preparations	—	2,659
Sugar and sugar preparations	—	1,392	Tobacco and tobacco manufactures	—	800
Coffee, tea, cocoa, spices and manufactures	244	106,610	Animal & vegetable crude materials, inedible	—	250
Feeding stuffs for animals (not including unmilled cereals)	214,609	—	Chemical elements and compounds	—	123,909
Miscellaneous food preparations	94,804	54,792	Dyeing, tanning and colouring materials	—	11,350
Beverages	79,143	—	Essential oils and perfume materials; toilet, polishing and cleansing preparations	—	218,289
Hides, skins and fur skins, undressed	42,610	—	Explosives and miscellaneous chemical materials and products	—	2,288
Oil-seeds, oil nuts and oil kernels	—	789	Leather, leather manufactures, n.e.s., & dressed furs	—	3,572
Wood, lumber and cork	—	121,221	Rubber manufactures, n.e.s.	—	3,987
Textile fibres and waste	250,873	—	Wood and cork manufactures (excluding furniture)	—	13,740
Animal & vegetable crude materials, inedible	334,107	611,744	Paper, paperboard and manufactures	—	21,157
Animal and vegetable oils (not essential oils), fats, greases and derivatives	5,989,421	151,124	Textile yarn, fabrics, made-up articles and related products	—	738,079
Chemical elements and compounds	365,491	242,699	Non-metallic mineral manufactures, n.e.s.	—	753,945
Dyeing, tanning and colouring materials	432,773	—	Silver, platinum, gems and jewellery	—	439,743
Medicinal and pharmaceutical products	24,840	15,301	Manufactures of metals	—	30,058,886
Essential oils and perfume materials; toilet, polishing and cleansing preparations	—	68,266	Machinery other than electric	—	63,621
Explosives and miscellaneous chemical materials and products	2,106	252,350	Electric machinery, apparatus and appliances	—	591,873
Leather, leather manufactures, n.e.s., & dressed furs	151,334	—	Transport equipment	—	19,998
Wood and cork manufactures (excluding furniture)	2,375	17,369	Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	2,739,980
Paper, paperboard and manufactures	126,145	17,969	Furniture and fixtures	—	11,178
Textile yarn, fabrics, made-up articles and related products	—	16,150,042	Travel goods, handbags and similar articles	—	1,720,759
Non-metallic mineral manufactures, n.e.s.	—	40,174	Clothing	—	19,258,945
Silver, platinum, gems and jewellery	21,523,182	158,096	Footwear	—	1,473,661
Base metals	200	—	Scientific instruments; photographic & optical goods; watches & clocks	—	85,760
Manufactures of metals	6,065	1,855,137	Miscellaneous manufactured articles	—	5,496,641
Machinery other than electric	602,214	—	TOTAL		63,944,200

WEST AFRICA (BR.)

EAST AFRICA (BR.)

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Fish and fish preparations	635,760	35,943	Miscellaneous food preparations....	—	8,008
Cereals and cereal preparations....	—	135,956	Tobacco and tobacco manufactures	1,854,947	—
Fruits and vegetables	48,219	26,819	Oil-seeds, oil nuts and oil kernels	544,024	—
Sugar and sugar preparations	—	367,588	Animal & vegetable crude mate- rials, inedible	—	10,446
Coffee, tea, cocoa, spices and manufactures	54,954	—	Animal and vegetable oils (not essential oils), fats, greases and derivatives	1,865,028	26,638
Miscellaneous food preparations....	—	6,319	Chemical elements and compounds	—	285
Hides, skins and fur skins, un- dressed	19,738	—	Dyeing, tanning and colouring materials	—	3,519
Oil-seeds, oil nuts and oil kernels	560,846	—	Essential oils and perfume mate- rials; toilet, polishing and cleansing preparations	—	68,596
Textile fibres and waste	48,481,464	10,400	Explosives and miscellaneous chemical materials and pro- ducts	—	32,498
Animal & vegetable crude mate- rials, inedible	4,457,055	36,671	Rubber manufactures, n.e.s.	—	797
Animal and vegetable oils (not essential oils), fats, greases and derivatives	498,176	—	Wood and cork manufactures (ex- cluding furniture)	—	3,326
Chemical elements and compounds	170,728	9,450	Textile yarn, fabrics, made-up articles and related products	—	3,274,199
Dyeing, tanning and colouring materials	—	21,971	Non-metallic mineral manufac- tures, n.e.s.	—	204,365
Medicinal and pharmaceutical pro- ducts	—	4,000	Silver, platinum, gems and jewel- lery	—	37,863
Essential oils and perfume mate- rials; toilet, polishing and cleansing preparations	—	8,932	Base metals	—	41,216
Explosives and miscellaneous chemical materials and pro- ducts	141,943	71,674	Manufactures of metals	—	290,344
Leather, leather manufactures, n.e.s., & dressed furs	—	204,603	Machinery other than electric	—	159,949
Rubber manufactures, n.e.s.	—	2,491	Electric machinery, apparatus and appliances	—	32,650
Wood and cork manufactures (ex- cluding furniture)	9,765	21,000	Transport equipment	—	16,394
Paper, paperboard and manufac- tures	—	3,693	Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	273,517
Textile yarn, fabrics, made-up articles and related products	—	7,297,957	Furniture and fixtures	—	39,003
Non-metallic mineral manufac- tures, n.e.s.	—	165,979	Travel goods, handbags and similar articles	—	116,631
Silver, platinum, gems and jewel- lery	—	43,445	Clothing	—	8,950,911
Base metals	—	515,879	Footwear	—	126,261
Manufactures of metals	1,600	3,564,131	Scientific instruments; photo- graphic & optical goods; watches & clocks	—	60,515
Machinery other than electric	—	7,614	Miscellaneous manufactured arti- cles	—	471,953
Electric machinery, apparatus and appliances	32,500	112,006			
Transport equipment	507,900	—	TOTAL	4,263,999	14,284,919
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	1,026,645			
Furniture and fixtures	—	102,330			
Travel goods, handbags and similar articles	—	649,239			
Clothing	—	17,402,129			
Footwear	—	833,555			
Scientific instruments; photo- graphic & optical goods; watches & clocks	—	24,056			
Miscellaneous manufactured arti- cles	—	760,940			
TOTAL	55,620,548	33,473,415			

CENTRAL AFRICA (BR.)

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Fish and fish preparations	—	3,116	Meat and meat preparations	—	120,839
Cereals and cereal preparations....	—	3,110	Dairy products, eggs and honey....	—	14,632
Fruits and vegetables	—	38,479	Fish and fish preparations	—	242,038
Coffee, tea, cocoa, spices and manufactures	—	330	Cereals and cereal preparations....	—	74,252
			Fruits and vegetables	37,072	517,242
			Sugar and sugar preparations	—	6,357
			Coffee, tea, cocoa, spices and manufactures	—	80,639
			Miscellaneous food preparations....	111,648	276,647
			Beverages	45,826	16,356
			Oil-seeds, oil nuts and oil kernels	—	1,028
			Animal & vegetable crude mate- rials, inedible	—	107,116
			Animal and vegetable oils (not essential oils), fats, greases and derivatives	—	75
			Chemical elements and compounds	—	44,631
			Dyeing, tanning and colouring materials	—	10,492
			Medicinal and pharmaceutical pro- ducts	—	34,170

BRITISH WEST INDIES

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Essential oils and perfume materials; toilet, polishing and cleansing preparations	—	47,938	Explosives and miscellaneous chemical materials and products	—	131,522
Explosives and miscellaneous chemical materials and products	—	332,860	Leather, leather manufactures, n.e.s., & dressed furs	—	500
Leather, leather manufactures, n.e.s., & dressed furs	—	140,475	Rubber manufactures, n.e.s.	—	695
Rubber manufactures, n.e.s.	—	19,123	Wood and cork manufactures (excluding furniture)	—	13,043
Wood and cork manufactures (excluding furniture)	—	26,006	Paper, paperboard and manufactures	—	3,539
Paper, paperboard and manufactures	—	38,818	Textile yarn, fabrics, made-up articles and related products	—	821,465
Textile yarn, fabrics, made-up articles and related products	—	3,469,087	Non-metallic mineral manufactures, n.e.s.	—	96,602
Non-metallic mineral manufactures, n.e.s.	—	91,747	Silver, platinum, gems and jewellery	—	2,009
Silver, platinum, gems and jewellery	—	79,342	Manufactures of metals	—	198,667
Manufactures of metals	—	988,097	Machinery other than electric	—	542
Machinery other than electric	—	12,730	Electric machinery, apparatus and appliances	—	33,423
Electric machinery, apparatus and appliances	—	166,163	Transport equipment	—	16,451
Transport equipment	—	5,000	Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	95,666
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	339,487	Furniture and fixtures	—	83,525
Furniture and fixtures	—	106,382	Travel goods, handbags and similar articles	—	190,994
Travel goods, handbags and similar articles	—	532,590	Clothing	—	3,734,825
Clothing	—	8,872,799	Footwear	—	388,205
Footwear	—	1,527,276	Scientific instruments; photographic & optical goods; watches & clocks	—	76,485
Scientific instruments; photographic & optical goods; watches & clocks	—	16,758	Miscellaneous manufactured articles	5,795	285,177
Miscellaneous manufactured articles	—	1,675,347	TOTAL	6,750,677	6,945,759
TOTAL	194,546	20,034,539			

BRITISH COMMONWEALTH, OTHER

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Meat and meat preparations	—	15,252	Meat and meat preparations	—	35,033
Dairy products, eggs and honey	—	1,035	Dairy products, eggs and honey	—	13,532
Fish and fish preparations	—	66,081	Fish and fish preparations	44,486	72,695
Cereals and cereal preparations	—	235,021	Cereals and cereal preparations	—	567,407
Fruits and vegetables	77,586	126,932	Fruits and vegetables	3,827	156,211
Sugar and sugar preparations	4,976,000	2,440	Sugar and sugar preparations	—	130,971
Coffee, tea, cocoa, spices and manufactures	—	14,195	Coffee, tea, cocoa, spices and manufactures	12,876	242,330
Miscellaneous food preparations	—	49,454	Miscellaneous food preparations	—	112,164
Beverages	—	11,256	Beverages	32,409	1,154
Tobacco and tobacco manufactures	—	6,265	Tobacco and tobacco manufactures	—	20,104
Oil-seeds, oil nuts and oil kernels	—	5,632	Oil-seeds, oil nuts and oil kernels	—	8,613
Wood, lumber and cork	—	450	Crude rubber, including synthetic and reclaimed	—	1,351
Textile fibres and waste	—	140	Wood, lumber and cork	—	2,806
Animal & vegetable crude materials, inedible	1,691,296	27,778	Textile fibres and waste	6,950	—
Mineral fuels, lubricants and related materials	—	65	Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones	9,316	299
Animal and vegetable oils (not essential oils), fats, greases and derivatives	—	32,871	Metaliferous ores and metal scrap	26,900	—
Chemical elements and compounds	—	29,120	Animal & vegetable crude materials, inedible	724,973	351,833
Dyeing, tanning and colouring materials	—	5,633	Mineral fuels, lubricants and related materials	—	250
Medicinal and pharmaceutical products	—	30,921	Chemical elements and compounds	—	29,150
Essential oils and perfume materials; toilet, polishing and cleansing preparations	—	111,883	Dyeing, tanning and colouring materials	—	5,643
			Medicinal and pharmaceutical products	—	10,876
			Essential oils and perfume materials; toilet, polishing and cleansing preparations	—	21,209

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Explosives and miscellaneous chemical materials and products	—	143,280	Footwear	—	1,180
Leather, leather manufactures, n.e.s., & dressed furs	—	5,023	Scientific instruments; photographic & optical goods; watches & clocks	27,200	4,822
Rubber manufactures, n.e.s.	—	29,070	Miscellaneous manufactured articles	—	145,342
Wood and cork manufactures (excluding furniture)	—	31,382	TOTAL	6,086,347	2,128,372
Paper, paperboard and manufactures	10,211	69,555			
Textile yarn, fabrics, made-up articles and related products	—	3,602,425			
Non-metallic mineral manufactures, n.e.s.	—	178,831			
Silver, platinum, gems and jewelry	—	152,260			
Base metals	—	98,012			
Manufactures of metals	—	838,528			
Machinery other than electric	—	48,973			
Electric machinery, apparatus and appliances	—	309,494			
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	456,438			
Furniture and fixtures	—	155,561			
Travel goods, handbags and similar articles	—	378,466			
Clothing	—	10,431,357			
Footwear	—	1,516,380			
Scientific instruments; photographic & optical goods; watches & clocks	—	39,004			
Miscellaneous manufactured articles	—	1,711,920			
TOTAL	871,948	21,979,590			

EGYPT

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Fish and fish preparations	3,754	—	Meat and meat preparations	—	16,328
Fruits and vegetables	53,676	3,307	Dairy products, eggs and honey	—	36,886
Coffee, tea, cocoa, spices and manufactures	—	20,240	Fish and fish preparations	180,058	61,871
Miscellaneous food preparations	—	1,610	Cereals and cereal preparations	—	759,757
Tobacco and tobacco manufactures	3,676	45,493	Fruits and vegetables	—	157,525
Textile fibres and waste	4,826,396	425,198	Sugar and sugar preparations	—	6,821
Animal & vegetable crude materials, inedible	—	613,160	Coffee, tea, cocoa, spices and manufactures	48,776	117,179
Chemical elements and compounds	—	12,500	Miscellaneous food preparations	—	94,074
Essential oils and perfume materials; toilet, polishing and cleansing preparations	—	3,600	Beverages	—	488
Explosives and miscellaneous chemical materials and products	—	21,720	Tobacco and tobacco manufactures	274,561	1,312
Textile yarn, fabrics, made-up articles and related products	1,171,645	42,991	Oil-seeds, oil nuts and oil kernels	144,605	69,882
Non-metallic mineral manufactures, n.e.s.	—	17,347	Wood, lumber and cork	—	8,430
Silver, platinum, gems and jewelry	—	6,203	Textile fibres and waste	490,608	32,800
Base metals	—	11,500	Animal & vegetable crude materials, inedible	331,805	675,849
Manufactures of metals	—	93,507	Animal and vegetable oils (not essential oils), fats, greases and derivatives	389,498	160,000
Machinery other than electric	—	4,150	Chemical elements and compounds	—	37,298
Electric machinery, apparatus and appliances	—	219,170	Dyeing, tanning and colouring materials	—	103,584
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	98,782	Essential oils and perfume materials; toilet, polishing and cleansing preparations	—	151,942
Furniture and fixtures	—	2,453	Fertilizers, manufactured	4,780	—
Travel goods, handbags and similar articles	—	440	Explosives and miscellaneous chemical materials and products	—	155,628
Clothing	—	333,657	Rubber manufactures, n.e.s.	—	3,624
			Wood and cork manufactures (excluding furniture)	—	148,069
			Paper, paperboard and manufactures	—	15,740
			Textile yarn, fabrics, made-up articles and related products	—	7,680,190
			Non-metallic mineral manufactures, n.e.s.	—	909,971
			Silver, platinum, gems and jewelry	—	452,193
			Base metals	—	83,916
			Manufactures of metals	—	15,434,570
			Machinery other than electric	—	138,881
			Electric machinery, apparatus and appliances	—	809,612
			Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	2,799,051
			Furniture and fixtures	—	475,635
			Travel goods, handbags and similar articles	—	1,946,917
			Clothing	—	17,135,034
			Footwear	—	2,735,237
			Scientific instruments; photographic & optical goods; watches & clocks	—	148,625
			Miscellaneous manufactured articles	—	3,533,822
			TOTAL	1,864,691	57,098,741

(To be Continued)

FINANCE & COMMERCE

HK EXCHANGE MARKETS

U.S.\$				
April	T.T. High	T.T. Low	Notes High	Notes Low
15	\$623	622½	619½	618½
16	624½	623	620½	618½
17	625	624½	621	620
18	626	625	621¾	620½
19)	H o l i d a y s			
20)				
D.D. rates: High 624½ Low 620¾.				

Trading totals: T.T. US\$2,290,000; Notes cash \$230,000, forward \$1,420,000; D.D. \$255,000. The market was steadier in line with lower cross rates in New York; speculators bought to cover their oversold positions before the long Easter Holidays. In the T.T. sector, offers from Korea, Japan, and the Philippines were absorbed by gold and general importers. In the Notes market interest for change over favoured sellers and aggregated HK\$1.60 per US\$1,000. Positions taken by speculators averaged US\$1½ million per day. In the D.D. sector, market was very quiet.

Far Eastern Exchange: Highest and lowest rates per foreign currency unit in HK\$: Philippines 1.78—1.77, Japan 0.0148—0.014725, Malaya 1.876, Vietnam 0.06369, Laos 0.058, Cambodia 0.082, Thailand 0.2841. Sales: Pesos 195,000, Yen 75 million, Malayan \$180,000, Piastre 6 million, Kip 1½ million, Rial 2 million, and Baht 1½ million. **Chinese Exchange:** People's Yuan notes quoted \$1.48—1.38 per Yuan. Taiwan Dollar notes quoted HK\$158—157 per thousand, and remittances 153—152. **Bank Notes:** Highest and lowest rates per foreign currency unit in HK\$: England 16.42—16.40, Scotland and Ireland 14.00, Australia 12.65, New Zealand 15.00, Egypt 11.20, East Africa 15.40, West Africa 13.50, South Africa 16.38—16.35, Jamaica 13.50, Fiji 10.00, India 1.1875, Pakistan 0.89, Ceylon 1.00, Burma 0.50, Malaya 1.841—1.833, Canada 6.48—6.43, Cuba 5.00, Argentina 0.17, Brazil 0.07, Philippines 1.78—1.77, Switzerland 1.42, West Germany 1.42, Italy 0.0093, Belgium 0.11, Sweden 1.02, Norway. 0.72, Denmark 0.77, Netherlands 1.46, France 0.01505—0.015, Vietnam 0.072—0.07, Laos 0.058, Cambodia 0.083—0.082, North Borneo 1.60, Indonesia 0.166, Thailand 0.283—0.282, Macau 0.995, Japan 0.01515—0.015.

Gold Market			
April	High .945	Low .945	Macau .99
15	\$270	269½	Low 279½
16	270½	269½	
17	270¾	270½	
18	271½	270¾	281 High
19)	H o l i d a y s		
20)			

Opening and closing prices were 269½ and 271½; highest and lowest 271½ and 269½. The market was steady and prices advanced. Change over interest favoured sellers and aggregated 70 HK cents per 10 taels of .945 fine. Tradings averaged 6,800 taels per day and amounted to 27,200 taels for the four working days. 17,400 taels were cash dealings (3,800 listed and 13,600 arranged). Positions taken by speculators averaged 13,800 taels per day. Imports from Macau amounted to 9,000 taels. Exports totalled 8,000 taels (4,500 to Singapore, 1,500 to Indonesia, 1,000 to India, 500 to Vietnam, 500 to Korea). Differences paid for local and Macau .99 fine were HK\$13.00 and 12.00 respectively per tael of .945 fine. Cross rates were US\$37.81—37.78 per fine ounce; 8,000 ounces contracted at 37.80 cif Macau. US double eagle old and new coins quoted \$285 and 263 respectively per coin, English Sovereigns \$62 per coin, and Mexican gold coins \$291 per coin. **Silver Market:** 300 taels of bar silver traded at \$5.93 per tael; 500 dollar coins at \$3.79 per coin. Twenty-cent coins quoted \$2.92 per five coins.

the bullish sentiment and as Easter approached, buyers were not inclined to extend their commitments. Wheellocks had more than 40,000 shares transacted; quotations firmed to 7.20, closed 7.15 but still 25c higher than previous week. Wharves gained \$4; buying interest keen, 3,000 shares changed hands. Lands firm at 35.25; more than 6,500 shares traded. Hotels edged up but buyers unwilling to accept too high a price. HK Banks lost \$5 in midweek but recovered towards weekend; 150 shares changed hands. Union Ins. were very popular; buying offers rose to 970 but still no selling response. Fluctuations in other shares were fractional; no selling pressure was evident. A. R. Burkill & Sons (HK) Ltd, the General Managers of Amalgamated Rubber Estates, announced that the output from the Estates for March was 468,508 lbs.

Monday: market active; turnover \$1.21 million. **Tuesday:** trading totalled \$750,000; price movements small. **Wednesday:** slower; \$585,000. **Thursday:** fluctuations small; \$631,000. **Friday:** holiday.

Dividends: Union Insurance Society of Canton Ltd. announced a final dividend for 1956 of £1 2/6d per share and the breaking up of each of the 200,000 shares of £10 each into 10 shares of £1 each with effect from May 29, 1957. HK Engineering and Construction Co. Ltd. announced a final dividend of 10 cents and a bonus of 20 cents per share for 1956. HK and China Gas Co. Ltd. announced a dividend of \$5 per share for 1956. China Light & Power Co. Ltd. announced an

HK SHARE MARKET

Business during 3½ days before Easter holidays amounted to \$3.176 million, higher than previous week's turnover. The market opened very active with interest covering most shares; but not all counters retained

Share	April 11	Last Week's Rate		Closing	Up & Down	Dividend	Annual Yield*
		Highest	Lowest				(%)
HK Bank	1850	1850	1845	1850 s	steady	\$80	4.85
Union Ins.	950 b	970 b	957.50	970 b	+\$20	\$34	3.51
Lombard	38	37.50	37.25 b	37.50 b	—50c	\$2	5.33
Wheelock	6.90	7.20	6.90	7.15	+25c	75c	10.49
HK Wharf	96 b	100	98	100	\$4	\$6	6.00
HK Dock	45	45.25 s	45	45	steady	42	4.44
Provident	11.90	12 s	11.60 b	11.90 s	steady	\$1	8.40
HK Land	35.50	35.25	35.25	35.25	—25c	\$3.50	9.93
Realty	1.35	1.375	1.35 b	1.35	steady	15c	11.11
Hotel	14.40	14.80 s	14.40	14.50 b	+10c	\$1	6.90
Trams	21.50	21.60	21.20 b	21.30	—20c	\$1.70	7.98
Star Ferry	136	137 s	136 n	137 s	+\$1	\$9	6.57
Yaumati	103 s	102	101	102 s	—\$1	\$7.50	7.35
Light	21.90	22	21.40	21.40	—50c	\$1.10	5.14
Electric	29.20	29.20	28.80	29	—20c	\$3	6.90
Telephones	24.70	24.70	24.50	24.80	—10c	\$1.50	6.10
Cement	32.75	32.75 s	32.25 b	32.25	—50c	\$4	12.40
Dairy Farm	15	15	14.80	14.80	—20c	\$1.63	11.01
Watson	11.70 s	11.60	11.50	11.60	—10c	\$1	8.62
Yangtze	5.90 b	6	5.85 b	6 n	+10c	70c	11.67
Allied Inv.	4.725 n	4.725 n	4.65	4.55	—17½c	25c	5.49
HK & FE Inv.	10 b	10.40 s	10 b	10 b	steady	75c	7.50
Amal. Rubber	1.45	1.475	1.45	1.475	+2½c	30c	20.34
Textile	4.70 n	4.70	4.70 n	4.70	steady	50c	10.64
Nanyang	8.15	8.15	8.15	8.15	steady	80c	9.82

* Annual Yields are only ESTIMATES calculated with current X-All rates against last year's dividends.

interim dividend of 30 cents per share and proposed to issue one new share at \$5 each for every five shares held.

SINGAPORE SHARES

Markets were extremely buoyant during the week ended April 12 following the successful outcome of the Constitutional talks in London, also to the Chancellor's Budget proposals whereby plantation and mining companies registered in London, with business interests in Malaya, would be exempted from United Kingdom income and profit taxes on their trading profits. Among Industrials Singapore Cold Storage advanced to \$1.87½, a rise of 20 cents. Straits Traders which proposed to issue one stock unit of \$10 for every three units held, rose sharply to \$32.50 c.d.c.c.l. Consolidated Tin Smelter Ords. taken in quantity up to 33/6. Fraser & Neave Ords. had large sales from \$2.38½ c.d. to \$2.34 x.d. W. Hammer marketed at \$1.87½ rising to \$1.95. McAlisters saw considerable business from \$2.97½ to \$3.07. Metal Box on a good demand but with little scrip offering; quotation rose from \$1.68½ to \$1.82½. Amongst Tin shares Austral Amalgamated further advanced to 28/3. Ayer Hitam rose from 27/3 to 28/2½ to 27/7½. Berjantai improved to 15/6 to 16/-. Johan wanted at \$2, Kampong Lanjut at 43/6 and Kamunting at 11/9 after sales at 11/- to 11/6. Kinta Kelas changed hands between 9/3 and 9/9. Larut hardened to 8/6 bid. Petalings on the publication of an output of 5,868 piculs for the quarter ended 31st March, which was actually more than for the corresponding quarter of last year, staged a sharp recovery and taken in quantity from \$2.82½ up to \$2.95. Rantau firmed up to \$2.15. Siamese Tin from 14/- to 15/-. Sungei Way from \$1.55 to \$1.60 x.d. Takuapa from 20/6 to 21/3. Tanjong Tin up from 21/6 to 23/9. Rubber shares firmer. Allenby marketed at \$1.09 and \$1.10. Amalgamated Malay enquired for at

\$2.40 c.c.r.c.c.i. Bassett came to business at 78 cents c.d. and Batu Lintang from \$2.03 to \$2.07½. Benta wanted at \$1.12, Bukit Kepong at \$2.70, Conemara at \$1.20 x.d. and Jimah at \$1.90 after sales at the price. Business passed in Kempas at \$1.57½ c.d. with shares now enquired for at \$1.65 x.d. Kluang Ords. at \$1.65 to \$1.60 and Kundong and Mentakab both at \$2. Pajam firmed from \$1 to \$1.10, and United Malacca from \$1.95 to \$2.00. There is still an unsatisfied demand for local Loans at quotations.

HONGKONG COMPANY INCORPORATIONS

Following new limited liability companies were incorporated during the fortnight ended March 23, 1957 (all capital is nominal and in HK\$):

Canadian Tools—To manufacture watch bracelets & cases; Capital: 250,000; 502 Holland House, Hongkong; Subscribers: Charles Henry Dolansky, 134 Duchastel Avenue, Montreal, Canada, Company Director; Donald Quintin Cheung, 120 Blue Pool Road, Hongkong, Solicitor. **Kwong Loong Tai Co.**—To manufacture garments; Capital: 1 million; 32 Lower Lascar Row, Hongkong; Subscribers: Tse Yee Che, 27 Fuk Wing Street, Kowloon, Merchant; Tse Yee Hung, 318 Tung Choi Street, Kowloon, Merchant. **Yee Sing Industrial Co.**—Importers and exporters; Capital: 1 million; 3020 Ngau Tao Kock, Kowloon; Subscribers: Shen Bing Su, 3020, Ngau Tao Kock, Kowloon, Merchant; Teng Shu Chin, 120 Boundary Street, Kowloon, Merchant. **Kwong Tai Hong**—Importers and exporters; Capital: 500,000; 69 Jervois Street, Hongkong; Subscribers: Tse Yee Che, 27 Fuk Wing Street, Kowloon, Merchant; Lau Lin Pui, 3 D'Aguilar Street, Hongkong, Merchant. **Cecil Glove Factory**—Manufacturers of hosiery and gloves;

Capital: 200,000; Subscribers: Mak Wah Sang, 2 Cambridge Road, Kowloon, Merchant; Mak Kwai Deep, 2 Cambridge Road, Kowloon, Spinster. **Victoria City Development Co.**—To invest in land; Capital: 100,000; Subscribers: F. D. Hammond, 36 Dina House, Hongkong, Solicitor; F. G. Nigel, 35 Deep Water Bay Road, Hongkong, Solicitor. **Kin Sun Manufactory Co.**—Importers & exporters; Capital: 1 million; 61 Yen Chow Street, Shamshuipo, Kowloon; Subscribers: Pang Fat, 163 Fuk Wing Street, Kowloon, Merchant; Li Shuet Fong, 163 Fuk Wing Street, Kowloon, Married Woman. **Hongkong Gems**—Goldsmiths & jewellers; Capital: 100,000; Subscribers: Cheng Mu Kuang, 5 Duke Street, Kowloon, Merchant; Robert Ying Chew Lee, 45 Carnarvon Road, Kowloon, Merchant. **Golden Dragon Silk Co.**—Silk weavers; Capital: 100,000; 314-6 Alexandra House, Hongkong; Subscribers: Chung Kwong Po, 3 Wing Wo Street, Hongkong, Merchant; Fong Yum Ting, 319 Nathan Road, Kowloon, Merchant. **Great World Investment Co.**—To invest in land; Capital: 500,000; 349 Prince Edward Road, Kowloon; Subscribers: Lee Ting Tai, 349 Prince Edward Road, Kowloon, Merchant; Li Ting Chung, 349 Prince Edward Road, Kowloon, Merchant. **Ka Wo Distillery**—Capital: 800,000; 22 Ka Wo Street, Aberdeen, Hongkong; Subscribers: Bing H. Chinn, 94B Nathan Road, Kowloon, Merchant; Cheng Kwai Fan, 20 Ka Wo Street, Aberdeen, Hongkong, Merchant. **Patt Manfield and Co.**—To deal in steamships; Capital: 2 million; 306 Fung House, Hongkong; Subscribers: Ca-fee Hu, 1 Lung Chim Terrace, Village Road, Hongkong, Merchant; Quincy Chuang, 33 Blue Pool Road, Hongkong, Merchant. **May Po Knitting Co.**—To manufacture rayon & cotton products; Capital: 1 million; 74A Queen's Road Central, Hongkong; Subscribers: Yung Yat Yuen, 173 Sai Yeung Choi Street, Kowloon, Merchant; Yung Tak Ning, 81 Kweilin Street, Kowloon, Merchant.

HONGKONG TRADE IN MARCH AND JAN./MAR. 1957

Exports during March were \$284.1 million, \$366,000 less than corresponding month in 1956. Imports at \$473.0 m were higher by \$81.8 m.

Exports during January-March at \$834.6 m represent an increase of 7.4% over corresponding period in 1956; imports rose by 26% to \$1,394.9 m. Exports to Japan increased by \$47.7 m to \$96.7 m. Exports to US, UK and Burma also improved. Among countries showing decline in exports were: Thailand down by \$51.3 m.; South Korea \$14.7 m less; and Indochina \$11.2 m lower. Imports from most principal countries increased: China up by \$51.2 m.; UK \$49.9 m more; and US \$47.6 m higher. Increases were also recorded in imports from Thailand, Indonesia, Formosa, Belgium, Australia, Western Germany, Switzerland and India. Imports from Japan fell by \$20.8 m., and from Malaya by \$19.1 m.

Export of Hongkong Products during March totalled \$71.9 m. and amounted to 25.3% of HK's total export. A comparison of totals for first three months of 1957 and 1956 showed an increase in 1957 of \$6.6 m. or 3.3%. UK increased purchases by 5.2% and was the best customer. Indonesia bought \$11.5 m less than last year and dropped to second place while Malaya remained third on the list. Principal manufactures were cotton piece goods, cotton yarns, footwear, shirts, enamelware, electric torches and cotton singlets.

Certificates of Origin of all kinds and imperial preference certificates issued during the month reached 20,710, the highest total so far this year, and covered goods to the declared value of \$68,368,649. Approval was given by US authorities for the addition of the following items to the list of presumptive goods cleared for import into US and its dependencies:— Chinese musical instruments and theatrical costumes.

IMPORTS, BY COUNTRIES

Country	March, 1957 HK\$	Jan./Mar. 1957 HK\$	Jan./Mar. 1956 HK\$	Country	March, 1957 HK\$	Jan./Mar. 1957 HK\$	Jan./Mar. 1956 HK\$
Merchandise				Germany			
Africa, Central (British)	605,986	913,677	289,933	(Western)	14,184,890	39,844,728	26,312,169
Africa, East (British)	5,668,938	16,710,984	11,866,973	India	8,346,249	29,388,919	17,485,890
Africa, South ..	3,643,176	9,124,153	4,920,792	Indonesia	10,484,928	29,055,261	6,349,385
African Coun- tries, Other	64,198	388,506	858,349	Italy	5,332,239	17,761,091	8,026,092
America, Cen- tral	20,277	39,312	541,551	Japan	77,787,234	203,953,287	224,778,418
America, South (excluding Argentina and Brazil)	269,685	1,331,614	222,345	Korea, South ..	1,859,538	7,799,954	2,520,917
Argentina	10,464	561,132	213,492	Macao	3,178,203	10,232,243	9,653,540
Australia	9,229,235	34,861,233	19,481,829	Malaya	8,091,772	23,183,967	42,249,401
Austria	1,090,551	4,014,280	7,142,850	Middle and Near East Countries	3,632,269	13,345,499	18,641,572
Belgium	15,357,098	42,080,241	26,599,563	Netherlands	9,362,236	23,103,460	13,412,549
Borneo, North Brazil	3,263,744	10,779,379	10,270,713	New Zealand ..	555,795	2,068,240	269,096
British Common- wealth, Other	227,728	345,236	126,375	Norway	668,006	3,178,895	1,508,336
Burma	1,421,583	5,150,907	10,248,900	Oceania, British Oceania, United States	115,479	166,087	5,660,974
Cambodia, Laos & Vietnam	5,340,942	18,335,676	14,237,433	Oceania, n.e.s.	5,130	48,640	28,946
Canada	6,016,149	15,467,159	11,793,521	Pakistan	2,000	48,453	46,018
Ceylon	489,468	1,568,986	544,988	Philippines	14,529,165	33,258,890	34,000,499
China	102,239,766	311,169,960	260,005,592	Sweden	2,322,307	10,384,946	4,921,874
Denmark	894,225	2,300,302	1,283,471	Switzerland	2,548,355	6,225,872	5,361,466
Egypt	1,806,343	10,506,897	1,421,536	Thailand	15,901,602	47,364,461	34,674,099
Europe, Eastern European Coun- tries, Other ..	1,341,346	3,847,061	4,012,815	Thailand	22,198,884	68,136,953	42,012,541
Finland	408,769	960,908	943,302	United Kingdom	55,875,150	168,110,660	118,239,611
Formosa	283,419	1,035,019	499,552	U.S.A.	42,602,202	122,265,353	74,617,206
France	7,612,596	27,121,476	10,599,973	U.S.S.R.	—	—	1,608,619
	3,542,658	10,574,675	6,450,118	West Indies, British	29,354	43,046	45,457
				Total Mer- chandise ..	472,953,892	1,394,882,376	1,106,910,031
				Total gold and specie ..	38,416,100	98,307,880	123,978,854
				Grand Total	511,369,992	1,493,190,256	1,230,888,885

EXPORTS, BY COUNTRIES

Country	March, 1957 HK\$	Jan./Mar. 1957 HK\$	Jan./Mar. 1956 HK\$	Country	March, 1957 HK\$	Jan./Mar. 1957 HK\$	Jan./Mar. 1956 HK\$
Merchandise				British Common- wealth, Other			
Africa, Central (British)	768,065	3,285,070	3,831,693	Burma	2,823,122	6,199,509	5,493,652
Africa, East (British)	549,106	6,611,901	6,174,057	Cambodia, Laos & Vietnam ..	4,486,977	13,527,848	3,356,304
Africa, South ..	3,769,447	9,990,230	6,893,646	Canada	14,617,962	35,446,358	46,638,849
Africa, West (British)	4,779,345	12,690,990	15,418,428	Ceylon	3,457,045	10,180,554	9,979,443
African Coun- tries, Other	9,058,084	21,148,391	11,504,895	China	1,660,659	4,488,922	3,484,751
America, Central America, South (excluding Argentina and Brazil)	3,661,492	9,088,535	5,589,706	Denmark	9,577,302	29,891,937	23,980,626
Argentina	1,465,590	4,428,232	3,297,853	Egypt	397,308	1,395,780	1,166,371
Asian Coun- tries, Central ..	39,021	136,080	40,931	Europe	130,618	133,955	725,844
Australia	269,530	441,234	333,031	European Coun- tries, Other ..	153,709	434,457	542,099
Austria	5,717,319	12,162,980	13,474,368	Finland	9,556	75,268	63,869
Belgium	19,562	20,832	6,575	Formosa	5,153,595	14,386,336	10,464,242
Borneo, North Brazil	1,357,419	3,914,001	2,731,383	France	1,834,105	4,580,535	5,229,710
	5,027,329	11,527,423	9,089,897	Germany (Western)	3,556,819	10,433,263	11,732,452
	7,684	40,615	144,097	India	1,574,807	4,726,897	4,493,437
				Indonesia	45,985,950	142,091,048	144,291,211
				Italy	1,686,331	3,500,971	1,933,335
				Japan	27,920,108	96,724,231	49,003,763
				Korea, South ..	7,165,825	16,814,145	31,484,465
				Macao	5,760,315	16,010,218	12,260,034

Country	March, 1957 HK\$	Jan./Mar. 1957 HK\$	Jan./Mar. 1956 HK\$	Country	March, 1957 HK\$	Jan./Mar. 1957 HK\$	Jan./Mar. 1956 HK\$
Malaya	30,792,737	101,106,882	92,604,890	Switzerland	295,877	710,430	1,161,894
Middle and Near East Countries	3,040,596	8,631,318	8,022,581	Thailand	16,587,767	49,863,554	101,122,816
Netherlands ...	2,473,509	6,242,990	5,629,158	Turkey	—	63	34,303
New Zealand ..	993,592	2,882,978	2,718,580	United Kingdom	27,049,075	83,435,383	69,854,950
Norway	947,493	1,916,697	921,229	U.S.A.	14,677,717	38,363,557	24,477,614
Oceania, British	193,478	906,897	1,359,037	West Indies, British	2,080,161	4,714,499	3,543,851
Oceania, United States	2,217,967	6,934,892	7,478,190	Total Mer- chandise ..	284,062,943	834,588,917	777,425,925
Oceania, n.e.s.	1,061,950	2,386,448	1,982,768	Total gold and specie	43,114,988	102,711,009	147,718,506
Pakistan	377,161	835,412	1,251,067	Grand Total	327,177,931	937,299,926	925,144,431
Philippines	6,006,251	16,681,913	8,742,675				
Sweden	826,506	2,446,258	1,666,305				

IMPORTS, BY DIVISIONS

Division	March 1957 HK\$	Jan./Mar. 1957 HK\$	Jan./Mar. 1956 HK\$
Live animals	10,428,866	34,654,294	47,528,364
Meat and meat preparations	5,365,418	25,151,500	11,581,176
Dairy products	13,501,196	26,805,028	18,950,754
Fish and fish preparations	7,728,224	22,218,808	21,793,085
Cereals	30,541,329	87,928,522	70,663,062
Fruits and vegetables	17,439,878	64,153,826	45,021,764
Sugar and sugar preparations	5,082,658	33,792,386	21,418,439
Coffee, tea, cocoa and spices	5,080,539	17,725,540	11,823,478
Feeding stuffs for animals	1,017,886	2,845,208	1,888,191
Miscellaneous food preparations	3,765,819	8,237,070	6,834,263
Beverages	3,084,587	8,228,094	6,114,329
Tobacco and tobacco manufactures	5,091,837	16,345,132	15,692,584
Hides, skins and fur skins, undressed	2,376,704	4,786,082	2,421,737
Oil seeds and nuts	2,835,446	13,309,445	15,015,872
Crude rubber, including synthetic	1,413,595	5,044,730	5,742,582
Wood, lumber and cork	5,218,315	18,822,620	17,257,954
Pulp and waste paper	514,127	1,261,843	860,825
Textile fibres and waste	29,559,550	102,384,205	63,024,971
Crude fertilizers and minerals	1,034,670	2,229,673	2,263,376
Ores and metal scrap	5,757,541	10,452,407	2,554,821
Animal and vegetable crude materials	18,504,245	63,004,225	39,270,505
Mineral fuels, lubricants and related materials	15,519,478	48,122,943	49,658,616
Animal and vegetable oils (not essential oils), fats, greases and derivatives	8,819,905	21,852,779	27,086,589
Chemical elements and compounds	6,112,900	14,955,851	9,665,679
Mineral tar and crude chemicals	—	88,693	29,466
Dyeing, tanning and colouring materials	4,257,646	13,275,977	10,435,095
Medicinal and pharmaceutical products	5,784,662	16,282,217	8,274,361
Perfume materials and cleansing preparations	3,834,030	10,873,484	11,302,357
Fertilizers, manufactured	2,374,373	3,136,799	12,785,363
Explosives and miscellaneous chemical products	6,996,895	18,133,419	11,904,405
Leather, leather goods and furs	2,361,794	6,546,547	4,972,758
Rubber manufactures	1,324,054	3,632,179	5,270,898
Wood and cork manufactures (excluding furniture)	830,499	2,555,694	2,423,493
Paper, paperboard and manufactures	12,270,270	36,389,398	32,151,113
Textile yarn, fabrics and made-up articles	90,932,361	227,072,218	240,629,374
Non-metallic mineral manufactures	7,930,815	21,540,337	20,884,303
Silver, platinum, gems and jewellery	11,006,085	27,283,883	21,933,550
Base metals	44,182,123	136,477,652	50,124,144
Manufactures of metals	5,725,065	17,690,448	13,765,549
Machinery other than electric	11,174,261	40,121,350	30,141,402
Electric machinery and appliances	7,574,013	23,258,156	18,800,696
Transport equipment	12,891,380	33,998,888	23,580,884
Prefabricated buildings; plumbing, heating and lighting fittings	886,527	3,052,126	3,205,225
Furniture and fixtures	455,663	1,303,533	766,743
Travel goods	208,332	618,909	540,074
Clothing	3,865,496	11,012,706	7,572,403
Footwear	369,500	1,133,441	730,350

Division	March 1957	Jan./Mar. 1957	Jan./Mar. 1956
	HK\$	HK\$	HK\$
Scientific instruments; photographic and optical goods; watches and clocks	21,046,433	58,895,724	41,015,845
Miscellaneous manufactured articles	8,856,807	26,129,627	19,496,239
Live animals, not for food	20,083	66,760	40,925
Gold and specie	38,416,100	98,307,880	123,978,854
Total:	511,369,992	1,493,190,256	1,230,888,885

EXPORTS, BY DIVISIONS

Division	March 1957	Jan./Mar. 1957	Jan./Mar. 1956
	HK\$	HK\$	HK\$
Live animals	2,400	191,520	92,040
Meat and meat preparations	693,877	3,953,302	3,252,528
Dairy products	1,131,404	3,242,513	3,412,962
Fish and fish preparations	2,334,809	7,761,295	6,510,259
Cereals	5,355,442	14,256,375	11,852,847
Fruits and vegetables	8,954,787	38,497,760	31,079,528
Sugar and sugar preparations	2,068,973	10,435,062	7,888,638
Coffee, tea, cocoa and spices	3,306,475	11,034,322	5,782,486
Feeding stuffs for animals	174,116	1,120,792	385,150
Miscellaneous food preparations	2,343,269	7,481,154	6,418,882
Beverages	943,618	2,832,915	2,848,596
Tobacco and tobacco manufactures	740,576	2,127,701	2,116,959
Hides, skins and fur skins, undressed	1,347,398	3,357,342	2,512,427
Oil seeds and nuts	2,348,867	6,581,073	10,737,094
Crude rubber, including synthetic	64,057	341,026	107,380
Wood, lumber and cork	931,647	2,247,894	2,101,166
Pulp and waste paper	586,003	1,239,840	280,553
Textile fibres and waste	7,899,546	38,899,828	7,471,210
Crude fertilizers and minerals	525,782	1,212,147	1,216,211
Ores and metal scrap	9,350,001	24,503,728	12,222,409
Animal and vegetable crude materials	12,036,068	36,788,866	37,868,673
Mineral fuels, lubricants and related materials	357,127	2,456,333	2,268,392
Animal and vegetable oils (not essential oils), fats, greases and derivatives	2,115,662	7,929,524	14,183,411
Chemical elements and compounds	2,809,756	5,320,068	3,102,227
Mineral tar and crude chemicals	26,150	26,570	5,820
Dyeing, tanning and colouring materials	5,059,120	13,036,837	13,101,138
Medicinal and pharmaceutical products	5,763,113	14,926,293	10,257,514
Perfume materials and cleansing preparations	2,921,347	7,270,501	7,188,417
Fertilizers, manufactured	2,253,138	2,719,329	12,811,225
Explosives and miscellaneous chemical products	1,865,193	4,265,605	4,886,592
Leather, leather goods and furs	132,981	403,789	662,388
Rubber manufactures	397,132	925,995	2,985,745
Wood and cork manufactures (excluding furniture)	335,013	989,501	1,159,388
Paper, paperboard and manufactures	5,959,064	13,190,807	16,115,151
Textile yarn, fabrics and made-up articles	75,502,893	210,710,324	225,332,658
Non-metallic mineral manufactures	4,146,337	9,835,819	12,718,856
Silver, platinum, gems and jewellery	2,097,178	6,196,014	6,573,274
Base metals	14,486,031	51,632,237	25,818,128
Manufactures of metals	12,052,533	32,664,754	32,063,731
Machinery other than electric	2,922,198	7,644,568	13,761,417
Electric machinery and appliances	2,887,544	7,625,381	8,693,038
Transport equipment	3,458,562	10,046,964	6,019,071
Prefabricated buildings; plumbing, heating and lighting fittings	5,946,794	16,950,354	17,266,539
Furniture and fixtures	3,433,863	9,928,795	8,909,805
Travel goods	1,450,105	3,588,998	3,599,838
Clothing	35,602,501	99,165,176	94,798,755
Footwear	7,476,346	23,101,557	27,313,243
Scientific instruments; photographic and optical goods; watches and clocks	2,992,682	10,260,373	9,445,521
Miscellaneous manufactured articles	16,400,910	43,479,252	40,128,608
Live animals, not for food	72,555	190,744	98,037
Gold and specie	43,114,988	102,711,009	147,718,506
Total:	327,177,931	937,299,926	925,144,431

HONGKONG PRODUCTS

EXPORTS, BY COUNTRIES

Country	March 1957 HK\$	Jan./Mar. 1957 HK\$	Jan./Mar. 1956 HK\$
Africa, Central (British)	276,368	1,300,487	1,300,081
Africa, East (British)	294,063	4,001,913	3,764,888
Africa, South	2,081,297	6,063,032	3,666,016
Africa, West (British)	2,916,721	7,880,001	9,478,166
African Countries, Other	5,315,596	13,013,903	6,192,864
America, Central	1,678,532	3,975,347	2,060,016
America, South (ex- cluding Argentina and Brazil)	934,161	2,468,696	1,697,394
Argentina	—	8,084	—
Asian Countries, Cen- tral	216,470	297,150	186,171
Australia	1,771,186	4,190,193	3,811,488
Austria	—	—	240
Belgium	148,337	551,029	516,054
Borneo, North	1,110,375	2,679,728	2,189,881
Brazil	3,500	11,711	—
British Common- wealth, Other	1,496,968	3,301,341	2,698,821
Burma	1,427,863	4,384,872	694,948
Cambodia, Laos & Vietnam	2,550,673	6,872,442	9,159,015
Canada	789,403	2,561,041	3,099,866
Ceylon	455,235	1,671,931	1,094,385
China	30,781	2,279,886	129
Denmark	137,289	509,098	332,994
Egypt	—	—	95,052
European Countries, Other	53,920	92,169	87,631
Formosa	73,851	277,776	428,409
France	70,038	192,837	100,486
Germany (Western)	434,085	1,066,739	752,182
India	167,395	765,986	1,432,342
Indonesia	10,941,065	34,278,131	45,739,486
Italy	73,368	180,040	69,659
Japan	513,476	1,367,082	1,486,215
Korea, South	41,302	137,517	1,257,986
Macao	415,096	1,266,194	886,575
Malaya	7,262,010	19,989,058	23,588,906
Middle and Near East Countries	1,120,273	2,806,809	2,618,179
Netherlands	519,216	988,436	648,831
New Zealand	371,786	1,174,367	966,963
Norway	152,100	338,891	47,178
Oceania, British	98,856	372,713	493,969
Oceania, United States	186,867	744,733	965,808
Oceania, n.e.s.	349,694	774,188	681,074
Pakistan	67,926	88,222	558,032
Philippines	2,599,212	8,387,880	3,765,905
Sweden	56,764	333,864	186,267
Switzerland	26,548	67,757	65,556
Thailand	4,084,570	11,372,024	14,447,521
Turkey	—	63	—
United Kingdom	14,665,541	41,698,640	39,643,434
U.S.A.	2,953,387	6,414,143	4,063,293
West Indies, British	963,511	2,539,559	1,837,283
Total	71,896,675	205,467,703	198,857,639

EXPORTS, BY COMMODITIES

Commodity	March 1957 HK\$	Jan./Mar. 1957 HK\$	Jan./Mar. 1956 HK\$
Fish in airtight con- tainers	203,912	563,520	591,531
Fruits, preserved	889,077	3,049,391	4,184,263
Jams and fruit jellies	—	137	—
Fruit juices, unfer- mented	32,365	71,495	15,920
Non-alcoholic bever- ages	26,704	85,771	73,538
Beer	129	779	3,415
Cigarettes	135,685	362,848	285,100
Iron ore	418,798	1,306,613	1,365,609
Tungsten ore	—	25,500	11,500
Seagrass	14,077	26,460	39,006
Lacquer and var- nish	390,262	917,730	823,384
Paint, enamel and mastic	1,379,223	3,410,586	3,012,725
Cotton yarn	11,899,904	32,265,416	29,011,801
Cotton piece goods	17,915,817	55,836,424	38,133,131
Towel, not embroi- dered	1,047,382	3,073,109	4,217,920
Linen, embroidered	920,010	2,662,307	1,630,081
Cement	788,938	1,263,512	1,829,459
Iron and steel bars	952,650	3,554,651	2,333,656
Household utensils, enamelled	6,611,761	18,045,185	17,292,813
Household utensils, aluminium	910,520	2,331,742	2,480,028
Torch batteries	883,146	1,999,139	2,600,114
Torch bulbs	356,388	866,194	1,828,507
Electric torches	3,930,794	11,104,666	10,925,631
Lanterns, metal	1,021,802	3,100,417	3,864,138
Cotton singlets	4,162,606	10,726,750	22,370,121
Underwear and nightwear, embroi- dered	278,741	717,356	483,144
Shirts	6,732,725	19,025,180	16,331,671
Outerwear, embroi- dered	886,233	1,925,191	1,854,734
Articles of clothing (handkerchiefs, shawls, etc.), em- broidered, n.e.s.	379,022	1,093,347	712,554
Footwear	6,922,719	21,596,647	25,942,251
Matches	79,656	214,832	369,107
Plastic articles	1,044,272	2,439,909	2,259,951
Vacuum flasks, com- plete	681,357	1,804,899	1,980,836
Total	71,896,675	205,467,703	198,857,639